

NOTE

Effective 1 April 1981 the People's Republic of China volume of the DAILY REPORT will be renamed China. As of that date, material from Taiwan media will be published in the same volume as material from the PRC. All items taken from Hong Kong media which deal with the PRC will also be published in this volume. This change is being made for the convenience of analysts who prefer that these materials appear in a single volume rather than in two volumes as heretofore.

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DAILY REPORT

China

Vol I No 063

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USSR-U.S. SCRAMBLE FOR STRATEGIC RESOURCES

HK020320 Beijing RENMIN RIBAO in Chinese 26 Mar 81 p 7

[Article by Ma Weimin [7456 3634 3046]: "Soviet-American Scramble for Strategic Materials and Resources"]

[Text] Over the past 10 years, the Soviet Union has stepped up its arms expansion and become the major match for the United States in the scramble for strategic materials and resources throughout the world. The great majority of strategic materials and resources on earth are in the Third World, especially the Middle East and the southern Part of Africa. Therefore, these two regions have become the major arena of the Soviet-American scramble for strategic materials and resources.

U.S. President Reagan has given instructions on purchasing strategic materials. His first move will be to allocate \$100 million for purchasing a needed reserve of important materials including 62 types of minerals and metals. U.S. officials reckoned the country will spend a total of \$2.5 billion on purchasing such materials in the next 5 years.

In the meantime, the Soviet Union has made some unusual moves in the international mineral and metal market: It has purchased at different times a total of 4,000 tons of raw tungsten ore and nearly 1,000 tons of tin. It is generally believed in business circles that the Soviet Union made these purchases for military purposes.

Public figures in the West concluded on these grounds that an "era of the wars of materials and resources" predicted by Haig last year has already started. This will enliven the international metals market which has suffered a long-term depression due to the economic recession.

Although the United States is rich in natural resources, it needs an enormous import of strategic materials. Of the 36 types of minerals which are indispensable to U.S. industrial development, over half of its required volume of 23 types of minerals have to be imported. Moreover, it depends on imports for over 90 percent of its required volume of several important strategic materials including manganese, cobalt, chromium and platinum. Since its assumption of power, the new U.S. Administration has repeatedly expressed its determination to "counteract Soviet threats" and to have an apparently long-term test of military and political strength with the Soviet Union. Therefore, it must acquire sufficient strategic materials.

Of course, the Soviet Union is not poor in natural resources either. It used to be a major exporter of metals. However, since 1976, it has cut back on exports of several types of strategic metals, including chromium, platinum and manganese, for several years running. In 1979, it also cut back on exports of lead, zinc, palladium, cobalt, nickel and rubber and almost stopped exporting titanium. Recently it rushed to purchase some types of materials. Although analysts in international business circles have expressed different views on this issue, they all recognize that with the intensification of the Soviet arms expansion over the past 10 years, the Soviet Union has joined the global scramble for mineral resources and become the rival of the United States in this scramble. The Soviet journal INTERNATIONAL ECONOMY AND INTERNATIONAL RELATIONS publicly admitted that the Soviet Union "has also come across problems in energy and material resources" and that the country "has simply become an importer of a vast amount of raw materials."

The great majority of industrial raw materials and strategic resources on earth are in the Third World, especially the Middle East and the southern part of Africa. NATO Secretary General Joseph Luns said: As far as the European economy is concerned, mineral resources in the southern part of Africa "are as important as oil in the Persian Gulf."

In addition to its dependence on the southern part of Africa for ordinary industrial raw materials, the West also primarily relies on the southern part of Africa for the supply of some important strategic raw materials such as manganese, cobalt, platinum and chromium. Some people have described oil in the Middle East and mineral resources in the southern part of Africa as the "two major lobes of the lung" of the West. According to their description, the sea route that revolves around the Cape of Good Hope is just like the "main artery" which binds the two "lobes of the lung." Therefore, the Third World, especially the Middle East and the southern part of Africa, has become the major arena of the Soviet-American scramble for materials and resources.

Brezhnev once spoke to an African leader without mincing words: "Our aim is the domination of the two treasure houses on which the West relies for existence, namely, the oil in the Persian Gulf and the mineral resources in the middle and southern parts of Africa." (This remark is quoted from Nixon's book "The Real War") The Soviet strategy to outflank Europe is partly aimed at dominating the strategic materials and transportation lines there. If the Soviet Union succeeds in promoting this strategy, the West will be in a very dangerous position. In describing Soviet-American contention for hegemony in recent years, some public figures in the West have likened "the United States to a power on the ebb" and likened the "Soviet Union to a rising tide." During this war of strategic materials, the Soviet Union apparently keeps on taking the offensive.

Of course, the United States and other Western countries will not sit by and watch the Soviet Union gain influence in this field again and again. U.S. Secretary of State Alexander Haig seriously noted: If the Soviet Union dominates the southern part of Africa, it dominates 90 percent of the key minerals needed by the United States and other Western countries. The recent efforts made by the United States to build a mobile force to strengthen its military presence in the Middle East and Africa and the recent coordinated action taken by the West to strengthen its naval force in the Indian Ocean are all aimed at guaranteeing the supply of materials to the West.

During the scramble for strategic materials and resources, in the light of U.S. and other Western nations' weakness with respect to materials and resources and particularly Western Europe's and Japan's fatal weakness in those areas, the Soviet Union has tried to tempt and blackmail these countries with its materials and resources in an attempt to sow discord within the Western alliance. The Soviet tricks are many and varied, such as:

First, the Soviet Union has propagated its ability to supply Western Europe with energy and materials on a "long-term and stable basis" in a desperate attempt to sow discord within the relations between the United States and Western Europe.

Second, the Soviet Union has rigged and manipulated the prices of minerals in the international market and reaped staggering economic profits. In 1978, the Soviet Union purchased a vast amount of cobalt from the international market. Following its purchase, the Soviet Union used the mercenary troops' invasion of Zaire's Shaba Province to bring about a cobalt production stoppage in Shaba (one-third of the world's cobalt supply comes from Shaba). As a result, the price of cobalt in the international market increased by 500 percent. With the price of cobalt soaring, the Soviet Union resold its cobalt to the international market, and the West had to allow the Soviet Union to go in for extortion.

Third, the Soviet Union has used its materials and resources as weapons to exert political pressure upon the West. When West Germany consented to the deployment of Pershing II missiles in 1979, the Soviet Union immediately banned the export of titanium to West Germany. Later it also suspended the supply of titanium to France, thus bringing about a "titanium crisis" within the Community. As a result, the European aviation industry group which produces airbuses lost an important order.

These Soviet practices sounded the alarm for the West. The scramble for strategic materials has always been the barometer of international situation. The Soviet-American scramble for purchasing strategic materials indicates that the tension between the two superpowers is intensifying and that the international situation will become more turbulent.

COMMENTARY ON NATO NOT TAKING 'BREZHNEV'S BAIT'

OW011955 Beijing XINHUA in English 1933 GMT 1 Apr 81

["Commentary: Brezhnev's Bait Does Not Work--By Correspondent Tang Liuyi"--XINHUA headline]

[Text] Brussels, 1 Apr (XINHUA)--The NATO special consultative group, after meeting here yesterday, flatly rejected one of the main proposals contained in Soviet leader Brezhnev's recent messages to Western leaders that the deployment of medium-range missiles in Europe be "delayed" and their quantity and quality be "freezed" at the present level.

The group in charge of consulting on the alliance's theatre nuclear weapon policy at yesterday's meeting, the first of its kind since U.S. President Ronald Reagan took office, also reaffirmed the decision taken by the NATO ministers council in December 1979 to modernize the alliance's theatre nuclear forces.

The results of the meeting came up to the expectations of observers here as NATO Secretary-General Joseph Luns elaborated the council's position on this matter in his interview with Western reporters on March 19. Facts proved that once again Brezhnev's wishful thinking came to nothing due to his miscalculation of the situation.

It is believed here that Brezhnev tried to use "detente", "disarmament" and "negotiations" contained in his "new" proposal, like any of his other proposals, as the bait to have a test on the alliance's determination and unity in face of the growing Soviet challenges. It is thus seen here as a mere repetition of Moscow's old trick to lure, pressure and divide the Western world, for the Soviets believe that a number of people will surely be lured by their bait. They consider as a particularly "good chance" the fact that a poor economic situation is prevailing in the Western countries and the appeasement trend has gained ground again there. But, contrary to the Soviet wishful thinking, the direction of the political wind in the West is changing.

The rumble of Soviet gunfire in Afghanistan has awakened many people in the West from the fond dream of "detente" and the Soviet tanks ready to invade Poland have broken the talisman of "detente" to pieces. Therefore, it is not surprising that some Western leaders have discarded the phraseology of "detente" in their recent inaugural speeches and bilateral talks. Nevertheless, quite a number of people in the West still harbour an illusion about "detente" and some anti-nuclear pacifists even stand for NATO's unilateral withdrawal of its program for deploying new nuclear missiles. As more and more people there have become aware of the hegemonist policy of aggression and expansion, the Soviet bait does not work any more.

In the balance of forces between the two blocs in Europe, the long-range theatre nuclear weapons are of key importance. In the conventional force, NATO is no match for the Soviet Union and the Warsaw Pact group since the latter enjoy superiority in manpower, equipment and the geographical position.

In the strategic nuclear force, the two sides are by and large on a par, thus rendering an off-hand use of it unlikely. In line with its "strategy of flexible reaction", NATO, when failing to resist a conventional attack from the other side, will hit back with theatre nuclear weapons to avoid the difficult option between surrender and the risk of a full-scale nuclear war. Therefore, theatre nuclear weapons have always been regarded as a "reliable deterrent force" by NATO.

Now, it is in the very field of long-range theatre nuclear missiles that NATO can make no comparison with the Warsaw pact because it has none. Have-nots cannot be compared with haves.

The Soviet Union set about deploying the new-type SS-20 theatre nuclear missiles in the mid-1970's. In recent years, it has been adding one more SS-20 every five days to its nuclear arsenal, about to fulfil its modernization plan of theatre nuclear weapons. The number of nuclear warheads installed has exceeded the planned figure. As for NATO, not until 1983 at the earliest will it be able to embark on the planned deployment of new theatre nuclear weapons. What is more, since some NATO countries concerned have not defined their positions on this issue, whether the modernization plan can be fulfilled is still in the air. What the Soviet Union has set its mind on, by contriving the "moratorium on deployment", is to write off the NATO plan. Mr Luns put it well: The Soviet Union "proposes to freeze what they have and to freeze what we don't have." This unequal bargain will certainly not be accepted by the NATO countries. Out of their political needs, the Soviet Union and the United States may resume the preliminary talks in Geneva on the control of theatre nuclear weapons in Europe, but in view of the expressed views of many West European countries and NATO, the talks will not help Brezhnev very much in realizing his wishful thinking.

BRIEFS

LANGUAGE COURSES FOR FOREIGNERS--Beijing, March 24 (XINHUA)--Chinese universities are offering refresher courses in the Chinese language to some 2,500 teachers, students and professional people from 20 countries this year, the Education Ministry said here today. The courses, from two weeks to eight weeks according to the students' proficiency, include some basic training. They were started in 1978 and so far about 900 students have studied in China under inter-governmental agreements or exchange programs. Courses are run at 30 Chinese colleges and universities, including Beijing University, Beijing Foreign Languages Institute, Nankai University, Nanjing University and Fudan and Hangzhou Universities. [Text] [Beijing XINHUA in English 0243 GMT 24 Mar 81 OW]

MEETING ON ASIAN TECHNOLOGY--Beijing, March 27 (XINHUA)--A six-day international meeting on the sharing of traditional Asian technology ended here today. "The meeting, financed by the United Nations University, focused on the study and application of traditional Asian technology. This time, it was on Chinese veterinary acupuncture. Experts from China, Indonesia, Japan, Nepal, Sri Lanka and Thailand attended the 1981 project program." In addition to exchanging information on the application and popularization of traditional Asian technology, the meeting representatives discussed 1981 work plans and a study program. Chandra H. Soysa of Sri Lanka presided over the meeting, which was attended by Dr Kinhide Mushakoji, vice president of UN University. [Beijing XINHUA in English 1245 GMT 27 Mar 81 OW]

FURTHER COVERAGE OF ATTEMPTED ASSASSINATION

RENMIN RIBAO Report

HK011300 Beijing RENMIN RIBAO in Chinese 1 Apr 81 p 6

[Article by Zhou Zhangxian [0719 0112 6343], Xu Linxing [1776 2651 5281], and Wang Shangzhi [3769 1424 1807]: "The Attempted Assassination of Reagan"]

[Text] On the afternoon (local time) of 30 March, an assassination attempt was made on U.S. President Ronald Reagan at the entrance to the Washington Hilton Hotel on Connecticut Avenue. He is now under treatment in George Washington University Hospital.

That afternoon, Reagan went to the Hilton Hotel to attend a meeting of the AFL-CIO Building Trades Council.

At 1425, Reagan emerged from the hotel's VIP passageway after making a speech. His black bullet-proof car was parked a few steps from the hotel's entrance. Smiling, Reagan waved to the crowd at the entrance.

At that moment, some newsmen wanted to ask him questions: "Mr President...." As Reagan was about to answer, a blond young man wearing a suit and a tan raincoat, who had been hiding, was 3 meters from the President's car; he took out a .22-calibre gun and fired at Reagan.

Reagan's smile vanished with the firing of the gun. He was astounded and turned pale. His guards in civilian clothes shouted immediately: "Step back! Lie down!" The assassin fired several shots at Reagan. Reagan, who had been hit, was pushed by his guards into his bullet-proof car, which immediately sped away.

As the shots were fired, White House Press Secretary James Brady was hit in the forehead. The bullet went through his brain. He fell immediately with his face touching the ground and his forehead bleeding. Then, policeman Thomas Delahanty who was hit in the shoulder and neck and Secret Service agent Timothy McCarthy also fell beside Brady. With revolvers and Israeli-made Uzi light machineguns in their hands, six Secret Service agents and policemen who were responsible for the President's safety surrounded the assassin to prevent him from being killed. He was handcuffed, escorted into a police car and immediately taken to the police headquarters of the District of Columbia.

There was activity at the entrance of the Hilton Hotel. Several ambulances arrived at the scene 15 minutes later. Reagan had already been taken to George Washington University Hospital. Supported by two guards, he had walked into the hospital.

At 1600, Reagan was taken to the operating room. The doctor immediately examined his chest and abdomen. A bullet was discovered to have penetrated 3 inches into the left side of his chest at the seventh rib and remained in the lower part of his left lung. The wound was only 1 inch from his heart. There was extravasated blood in the thoracic cavity. The doctor immediately performed an operation to remove the bullet. He made a 6 inch-long incision on the left side of the chest. The operation lasted for more than 2 hours and the bullet was removed from a lobe of the left lung. The doctor said that the President was clear-headed after the operation and also cracked jokes.

When news of the attempted assassination of Reagan reached the White House, Secretary of State Alexander Haig immediately assumed charge of the work in the White House and passed the news to Vice President George Bush who was then in Texas. Together with some senior government officials including Defense Secretary Caspar Weinberger, Treasury Secretary Donald Regan and Attorney General William Smith, he assumed personal command at the situation room and kept close watch over developments of the situation. Rushing back to Washington that evening, Bush delivered a brief statement, saying that "the U.S. Government is now functioning fully and efficiently."

The suspected assassin, John Warnock Hinckley (25), is the son of the chairman of the board of directors of a Colorado petroleum exploration corporation. His elder brother is vice chairman of the board of directors of this corporation. He is the youngest of three brothers. However, he is "unemployed."

Hinckley graduated from a high school in the suburbs of Dallas in 1973. He studied at Yale University but left before completing his studies. He once worked as a disco dancer in a Denver broadcasting station. A statement by the White House said that the motive of Hinckley's assassination attempt was still unknown. Hinckley was once arrested for possessing three weapons when then President Carter was campaigning in Nashville, Tennessee. The case is still under investigation.

After the attempted assassination of Reagan took place, the New York Stock Exchange was closed "to prevent the possible emergence of a panic." The departments concerned have taken more effective security measures in the White House. The policemen are patrolling the streets with police dogs, and a tense atmosphere prevails. Neil Reagan, the President's 72-year-old elder brother, said: "This is simply unbelievable! However, I expected this would happen, because the society of the United States is in such a situation today!"

RENMIN RIBAO Reports Reactions

HK011046 Beijing RENMIN RIBAO in Chinese 1 Apr 81 p 6

[Report: "The Attempted Assassination of Reagan Evokes Strong Reaction"]

[Text] It is reported that the attempted assassination of U.S. President Reagan has greatly shocked the whole United States and evoked strong international reactions.

After Secretary of State Haig received the report of the attempted assassination of Reagan, he immediately notified Vice President Bush who was then delivering a speech in Texas. At the same time, Haig announced that he was in control of the White House, pending the return of the vice president. Haig and a number of other secretaries assembled in the White House situation room to closely monitor the situation. Haig told reporters: "The crisis management is in effect."

When Bush returned to Washington, he traveled to the White House by helicopter. He then hurriedly went to the White House situation room to meet with Haig and a number of other secretaries. After holding a conference, Bush made a statement on that very evening. In his statement, Bush reassured the American people and the whole world that the American Government was functioning fully and effectively. He added: We have had full and complete communications throughout the day and the officers of the government have been fulfilling their obligations with skill and with care.

When asked whether Bush would function as acting president, a White House spokesman gave a negative response to reporters.

The U.S. Defense Department announced: U.S. Armed Forces throughout the world are maintaining their normal status and the U.S. Air Force is maintaining its daily high degree of alertness.

The Senate which was then examining Reagan's plan for tax cuts immediately adjourned its session. The two main American stock exchange markets suspended trading a few minutes after receiving the report on the attempted assassination.

Former Presidents Carter and Nixon sent messages to Reagan expressing their sympathy. Former President Ford who is touring Tokyo also expressed his sympathy to Reagan.

After learning of the attempted assassination, leaders of various countries and international organizations also sent messages or letters to Reagan expressing their sympathy. UN Secretary General Kurt Waldheim denounced the attempted assassination as a deplorable act.

Reagan in Excellent Spirits

OW012113 Beijing XINHUA Domestic Service in Chinese 1651 GMT 1 Apr 81

[Text] Beijing, 1 Apr (XINHUA)--According to a Washington dispatch, Dr Dennis O'Leary, one of three physicians who operated on Reagan, said on 31 March that Reagan was "in excellent spirits" and all of his vital signs were normal. O'Leary said, he obviously is able to function right now in terms of his thought processes and capacity to make decisions. Reagan did not have much sleep following the operation and he was continuously talking with the doctors and nurses, sometimes cracking jokes. Dr Daniel Ruge, Reagan's personal physician, also said that Reagan was able to begin reading newspapers the next day. The physicians estimate that Reagan will be able to get out of bed and move about freely in a few days and check out of the hospital in 1-2 weeks. But it probably will take him 3 months to recover completely.

The condition of White House Press Secretary Brady has also turned for the better. He suffered a wound to the brain during the assassination incident.

Vice President Bush and other Reagan aides went to see Reagan in the hospital yesterday. After the visit Bush said that he was relieved to see Reagan in very good condition. Bush said that he will not exercise presidential power during Reagan's recovery, and that Reagan was performing his duties. It is reported that Reagan signed a decree at the hospital on the morning of 31 March.

Authorities concerned are conducting an investigation on assassin suspect Hinckley who was arrested at the scene.

NETHERLANDS PRIME MINISTER ENDS U.S. VISIT

OW020308 Beijing XINHUA in English 0257 GMT 2 Apr 81

[Text] Washington, 1 Apr (XINHUA)--Netherlands Prime Minister Andreas A.M. van Agt ended his working visit to the United States today with an agreement by both sides on the need for allied unity in the context of threat from the Soviet Union and on the need for "credible defense" in NATO. The prime minister met yesterday with Vice President George Bush representing President Reagan who was wounded in an assassination attempt, Secretary of State Alexander Haig, the Senate Foreign Relations Committee and the House Foreign Affairs Committee.

The talks between the two sides covered East-West relations, Poland, the Middle East, NATO, southern Africa and economic issues. The dominant issue discussed was NATO's request that the Netherlands Government agree to deploy U.S.-made mediumrange missiles which NATO will begin installing in Western Europe in the mid-1980's. But no decision has been made by the Netherlands Government. During the talks the U.S. side reiterated its decision to pursue vigorously the December 1979 NATO decision to modernize the theatre nuclear forces in Europe and to pursue arms control negotiations. Both sides however emphasized the essentiality of "credible defense."

It is learned that both sides exchanged views on the East-West relations in general with emphasis on making clear to the Soviet Union the necessity for it to modify its behavior and act with restraint in the world.

On Poland, both sides were in strong agreement, according to an administration official, that the Polish people must be allowed to work out a solution to their own problem and that outside intervention would have severe negative effects of East-West relations.

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PRC INTERNATIONAL AFFAIRS
UNITED STATES

Van Agt visited the United States not only in the capacity of the prime minister of the Netherlands but also the current chairman of the European Council of Ministers. This administration considers his visit to be an important contact with a NATO ally in the context of a series of early contacts that have taken place with British prime minister and other allied foreign ministers and also in the context of U.S. and European relations which this administration would like to strengthen.

The Netherlands party arrived here on March 30 and left Washington this morning for home via New York where Van Agt is scheduled to meet with the UN secretary general.

BEIJING RADIO VIEWS U.S.-WEST EUROPE RELATIONS

OW011221 Beijing Domestic Service in Mandarin 1100 GMT 30 Mar 81

["Forum on International Affairs" talk on current events: "U.S. Relations With Western Europe"]

[Text] After his inauguration as U.S. President on 20 January, Reagan emphasized that he would pay great attention to improving relations with his West European allies. On the following day he immediately made phone calls to government leaders of the major countries in West Europe, expressing the U.S. wish to strengthen consultations and cooperation with Western Europe. From mid-February to mid-March, the United States separately invited the British prime minister and the French, West German and Italian foreign ministers to visit the United States to exchange views on international issues and coordinate the U.S. stand with that of the West European countries.

Over the past few years the relations between the United States and the West European countries have been marked by both cooperation and quarreling. Sometimes they agree on one question but then have very different opinions on another question. Therefore, the relations between the United States and the West European countries are now strained, relaxed, and are somewhat delicate.

The frequent changes in the relations between the United States and the West European countries are due to profound strategic, political and economic reasons. One of the major reasons is that a remarkable change has taken place in the relative strengths of the United States and Western Europe. The United States emerged from World War II as a rich nation with abundant economic strength. At that time, West Europe was war-worn. Facing economic difficulties it borrowed money from the United States to restore its economy. In political and diplomatic matters, Western Europe had to adapt its actions to the wishes of the United States. However, after more than 30 years a great change has taken place. Western Europe, which faced great economic difficulties and relied on U.S. aid during the postwar years, and the United States are now well matched in economic development. In 1979 the GNP of the nine EEC countries for the first time surpassed that of the United States. The U.S. economic role in the capitalist world has greatly declined.

The change in the relative economic strengths of the United States and Western Europe is inevitably reflected in the political field. Western Europe is now becoming a political force which stands on an equal footing with the United States. Some people in Western Europe boldly say: The United States is no longer indisputably the world's second-to-none big power. Western newspapers have pointed out: Western Europe no longer believes that the United States has the wisdom and strength to ensure stability in areas other than Europe. Still worse, the United States has softened and weakened its attitude toward the Soviet Union over the past few years. On other international issues, the United States has pursued a vacillating, fickle policy and has no clear-cut, consistent strategy. Western Europe is afraid that some day the United States will forsake it. Some West European statesmen do not think that the protective umbrella supplied by the United States is reliable and that it is all right to let the United States handle world strategy and West Europe's security all by itself.

As for the United States, it is also not completely satisfied with Western Europe. The United States has found that whenever it is necessary to take common action, West European countries sometimes assume an ambiguous attitude, act reluctantly and do not keep in step with the United States. The United States is also afraid that Western Europe is unreliable. Because of the misgivings existing between Western Europe and the United States, it is no wonder that they have quarrels on some international issues.

Besides those mentioned above, there are other reasons for the discords between the United States and the West European countries. We cannot make an analysis of the discords simply by comparing the West European countries with the United States. Internally, the West European countries themselves show divergent views on different issues. Owing to the different state of affairs facing each nation, they each have to form their own attitudes and positions according to their respective views of gains and losses, advantages and disadvantages. Therefore, the U.S.-West European relationship is a complex one.

Take, for example, the attitude toward the Soviet Union. Since the United States lost its military superiority, the Soviet Union has become its equal in terms of military strength. Unless the United States takes effective measures to bolster itself, it will in the long run land itself in a more unfavorable position. In Europe, the Soviet military strength has surpassed that of all the West European countries combined. Not only is Western Europe worrying about the reliability of the U.S. umbrella, it is also anxious about the possibility of war breaking out in Europe if U.S.-Soviet tensions continue to build up. Some people in Western Europe therefore caution against going too far in offending the Soviet Union. They urge detente and prefer making compromises and concessions in order to preserve peace in West Europe. Some oppose the production and deployment of neutron bombs in West Europe for fear of possibly harming the disarmament talks and detente.

Furthermore, the West European countries have closer economic ties with the Soviet Union and the East European nations. Western Europe sells its machinery and equipment to the latter in exchange for oil and natural gas. Particularly at a time of economic stagnation and recession and intensified rivalry between the United States and Western Europe for international markets, the West European countries are reluctant to take tough actions against the Soviet Union at the expense of their own economic interests. That is why the West European countries vacillated when the United States imposed economic sanctions against the Soviet Union in the wake of the Afghanistan invasion.

To secure support of the Jewish people at home, particularly to secure votes of the Jewish constituency during elections, the U.S. Government continues to favor Israel on the Middle East issue, to the resentment of the Arab nations. The West European countries' dependence on Middle East oil far exceeds that of the United States. To insure oil supplies, maintain stability in this strategic region--the Middle East--and to effectively block Soviet infiltration and expansion in the area, the West European countries have to secure the support of more Arab nations. Seeing that the Middle East nations fear the Soviet Union and show resentment for the United States, the West European countries have taken relevant measures to actively participate in Middle East affairs so as to revive their traditional sphere of influence in the area and forge for themselves an independent position in international politics. Thus, the United States and the West European countries think and act differently on the Middle East issue. Sometimes the contradictions between them on this issue have been sharp.

The Soviet Union has never given up the opportunity to sow discord and dissension between the United States and the West European countries in order to undermine the united front the Western nations have formed against the USSR. At the same time the Soviet Union tries to scuffle and rope in the West European countries. Sometimes it pretends as if it is siding with Western Europe, admonishing the West European countries to think independently, keep in mind their own interests and not to follow Washington's adventurist policies. Sometimes it blatantly says in menacing tones: If advanced weapons are deployed in West Europe, the West European countries will be the first ones to be jeopardized. The Soviet Union has launched several peace offensives to lure the West European countries and drive a wedge between the United States and Western Europe. In an attempt to sow discord among the Western nations, Brezhnev recently wrote letters to many Western state leaders to induce them to exercise pressure on the United States and force the Reagan administration to accept the Soviet proposal for holding a Soviet-U.S. summit.

In spite of the differences and disagreements between the United States and the West European countries and despite the Soviet attempt to sow dissension between them, they have not ignored the supreme and common task of how to effectively deal with the serious menace from the Soviet hegemonists. The West European countries realize that alone, without U.S. support, they are incapable of dealing with this Soviet menace. The United States also understands that without the support and assistance of its West European allies it will be unable to check a Soviet offensive. Faced with the Soviet threat, the United States and Western Europe are mutually dependent on each other for their survival. Therefore, despite the previous bickerings and the irreconcilable contradictions in the past, present and future, they are united. The need to unite against the Soviet Union still plays a dominant role in U.S.-West European relations.

Since Reagan assumed office, the United States and the West European countries have increased consultations and strengthened cooperation. Through visits of state leaders, they have deepened mutual understanding and reduced misgivings on certain issues. They have also narrowed the differences in views on some issues. For example, in the wake of the Soviet invasion of Afghanistan, the West European countries did not keep in step with the United States. Now all the Western nations are of the view that they must pursue the goal of demanding the withdrawal of Soviet troops from Afghanistan. On the Middle East issue, the United States was at one time displeased about the West European countries' active participation in Middle East affairs. Now the United States considers it a pressing matter to stop Soviet expansion in the Middle East. On a broader scope, West Europe's participation in Middle East affairs thus falls in line with U.S. objectives. Regarding Brezhnev's recent proposal to hold a Soviet-U.S. summit meeting, the United States and the West European countries have both agreed to take a prudent attitude in studying and consulting with each other on the proposal. The United States has suggested they study the Soviet proposal in the light of Soviet global expansion. The United Kingdom and France have called on the Soviet Union to show its sincerity through concrete deeds such as withdrawing its troops from Afghanistan.

Of course, the dissensions and contradictions between the United States and the West European countries cannot be solved by a few consultations. The actual conditions each country faces vary and so do their views and ways of doing things. They cannot be expected to reach unanimity on issues of a vast and extensive scope in a short time. However, to seek common ground on major issues while reserving differences on minor ones in the face of the Soviet menace is of prime importance both to the United States and to the West European countries.

U.S. DENOUNCES ELECTIONS HELD IN KAMPUCHEA

OW020144 Beijing XINHUA in English 0132 GMT 2 Apr 81

[Text] Washington, 1 Apr (XINHUA)--"We believe that no genuine elections or any other credible expression of Khmer self-determination could take place while Kampuchea continues to be occupied by 200,000 Vietnamese troops," the U.S. State Department said in a statement today. It declared that the United States Government is in full agreement with a statement issued on March 25 by Philippine Foreign Minister Carlos P. Romulo in the capacity of the chairman of the ASEAN Standing Committee, which denounces the false elections now under way in Kampuchea.

The current elections, the statement went on, "have no purpose except to confer a false image of legitimacy on a regime imposed by and completely controlled by Vietnam." The United States believes, it said, the best framework for the realization of Khmer self-determination is the UN General Assembly resolution supported October 22, 1980 by an overwhelming majority of UN member states. That resolution calls for an international conference to negotiate agreement on United Nations supervised free elections in Kampuchea.

U.S. COAST GUARD COMMANDANT LEAVES BEIJING

OWO20300 Beijing XINHUA in English 0255 GMT 2 Apr 81

[Text] Beijing, 2 Apr (XINHUA)--U.S. Commandant of Coast Guard Admiral John B. Hayes ended his visit to China and left Beijing today.

At the invitation of the Chinese Ministry of Communications, Admiral Hayes and a delegation led by him arrived here on March 30. During the visit of the U.S. admiral, Chinese Vice-Minister of Communications Guo Jian, on behalf of Minister Peng Deqing, held talks with him on the implementation of the Sino-U.S. maritime transportation agreement. Both sides were satisfied with the results of the talks.

BO YIBO MEETS GROUP FROM U.S. MONTHLY PUBLICATION

OWO12006 Beijing XINHUA in English 1857 GMT 1 Apr 81

[Text] Beijing, 1 Apr (XINHUA)--In talks this afternoon with a delegation from the WORLD PAPER of the United States, Chinese Vice Premier Bo Yibo said the purpose of economic readjustment "is to make greater progress."

"China has made encouraging achievements in the development of its economy since its founding over 30 years ago. At the same time, we have some shortcomings. The development of heavy industry is too fast, and the development of agriculture and light industry is too slow," and, the vice premier added humorously, "in another sentence, heavy industry is too heavy and light industry is too light."

"To readjust the economy is to readjust the economic structure. That does not mean retrogression. It is readjustment in the process of moving forward. The purpose of readjustment is to make greater progress," he said.

The delegation was led by Crocker Snow Jr., editor in chief of the monthly publication, and Martin Stone, chairman of the board of directors.

Also present at the meeting were Liu Jingzhi, deputy director of the XINHUA NEWS AGENCY, and Chen Long, director of China Features.

The American visitors arrived in China March 26 at the invitation of China Features. Before their arrival in Beijing, they visited Hangzhou and Chengdu.

COMMENTARY SLAMS MOSCOW'S 'RUMORMONGERING'

OW011922 Beijing XINHUA in English 1903 GMT 1 Apr 81

["Commentary: Moscow's Rumormongering by XINHUA Correspondent"--XINHUA headline]

[Text] Beijing, 1 Apr (XINHUA)--In recent days TASS and the Soviet press have carried a dozen or so articles and news items, spreading fabrications against China's foreign policy. For its political needs, the Kremlin has shut its eyes to facts and concocted wild tales.

--In the alleged relations between China and South Africa, Moscow did not in the past go beyond hinting about "secret meetings" and "economic and trade ties." Now, it boldly asserts that China provides South Africa with "China-made weapons" in support of the latter's "military provocations."

--In the alleged relations between China and Israel, Moscow has progressed from the fabricated "trade cooperation" to "some kind of alliance" and the present yarn about "an agreement on cooperation in armaments and nuclear research."

--In the alleged relations between China and South Korea, Moscow is no longer satisfied with its concoction about "trade cooperation." The Soviet paper IZVESTIYA ran an article on March 24 asserting that China's trade with South Korea might reach \$1,000 million this year and that China is planning to increase its export of raw materials to South Korea in exchange for the latter's "technological assistance."

--In the alleged Chinese bases and troops in Pakistan, Moscow was content in the past with the allegation about Chinese participation in Pakistani military exercises and Chinese attempt to turn Karachi into a permanent naval base. Now, it charges that China has built as many as 12 air bases in Pakistan and is making Pakistan her "nuclear partner," with a Chinese special force guarding a nuclear center in Pakistan where atomic weapons are being manufactured.

Apparently the Soviet rumormongers are very familiar with Goebbels doctrine that repetition would turn lies into truth.

As is known to all, the area from southern Africa, the Middle East, South Asia to the Far East is a strategic one in the Soviet southward thrust, where Moscow has carried out subversion, assassination, invasion by mercenary troops, and outright military occupation. In southern Africa, the Soviets are carrying on overt and covert contacts with the racist South African regime while penetrating the national liberation movements to cultivate their own influence in the region. Taking advantage of disputes among Arab countries, they have tried to sow discord in the Middle East and colluded with Israel in obstructing the Arab people from the recovering their lost land and the Palestinian people from winning back their legitimate national rights.

While passing itself off as a "firm supporter" of the cause of Korea's reunification, Moscow has been flirting with the South Korean regime, inviting the latter's "ministers," economic delegations and scholars to Moscow as honored guests, and adding its service to the "two Koreas" plot. In South Asia, it refuses to withdraw from Afghanistan its occupation troops and instead, has massed huge forces along Afghanistan's border with Pakistan and Iran. It has established a string of naval and air bases from the Red Sea to Cam Ranh Bay, and a task fleet of 30-odd warships in the Indian Ocean.

All these activities of aggression and expansion have been denounced by the Chinese people and the people the world over. This infuriates the Kremlin. Hence, the pack of lies against China. The aim is to discredit China and estrange the Third World countries so as to pave the way for the Kremlin's southward thrust and eastward expansion.

China has always supported the peoples of southern Africa in their just struggle against the racist South African regime and for national liberation. She refuses contacts of any kind with the South African authorities and supports the Arab countries' struggle to recover the lost land and the Palestinian people's struggle to recover their legitimate rights. China is firmly opposed to Israel's policy of aggression and expansion and refuses to have anything to do with the Israeli Government. China supports the Korean people's struggle for the independent and peaceful reunification of their fatherland and firmly opposes the "two Koreas" scheme. She refuses to have any trade relations with South Korea. Strictly abiding by the five principles of peaceful coexistence, China promotes friendly relations with other countries in the world. She has not a single military base or a single soldier on foreign territory. This open and above-board stand of China sharply contrasts with that of the Soviet Union. Moscow's fabrications, far from sully China's reputation, only serve to discredit the Kremlin itself.

USSR CONDUCTS NUCLEAR TEST IN SEMIPALATINSK

OW020618 Beijing XINHUA Domestic Service in Chinese 0755 GMT 31 Mar 81

[Text] Stockholm, 30 Mar (XINHUA)--According to the Swedish central press agency report today, Sweden's Hagfors National Defense Research Institute detected early in the morning on 29 March that the Soviet Union had conducted a new nuclear explosion in the Semipalatinsk region.

This nuclear explosion, which took place at 0600 hours Sweden time, measured 6.3 on the Richter scale. This was the first nuclear explosion detected this year in the Semipalatinsk region in Kazakhstan.

UK'S LORD CARRINGTON ARRIVES IN BEIJING 1 APRIL

Huang Hua Greeting

OWO10824 Beijing XINHUA in English 0710 GMT 1 Apr 81

[Text] Beijing, 1 Apr (XINHUA)--British Foreign Secretary Lord Carrington, Lady Carrington and their party arrived here at noon today to start their five-day visit to China. They were greeted at the airport by Chinese Vice-Premier and Foreign Minister Huang Hua, his wife He Liliang, Assistant Minister of Foreign Affairs Song Zhiguang and Chinese Ambassador to Britain Ke Hua. British Ambassador to China P. Cradock and Mrs Cradock were also present. During his stay in China, Lord Carrington will meet Chinese leaders and discuss issues of mutual interest. The British guests will also visit Xian.

International Issues Discussed

OWO11616 Beijing XINHUA in English 1608 GMT 1 Apr 81

[Text] Beijing, 1 Apr (XINHUA)--In talks today on major world issues, Chinese Foreign Minister Huang Hua and British Foreign Secretary Lord Carrington agreed that Soviet aggression in Afghanistan had aggravated the international situation. Both sides agreed that the people of the whole world had reason to show great concern over the situation in Afghanistan. Sources said the talks proceeded in a cordial and friendly atmosphere.

Huang Hua, who is also vice premier, said current turbulence and unrest in the world are the result of Soviet hegemonism. "As long as the Soviet Union sticks to its hegemonist policy of aggression and expansion, China will not change her position opposing its hegemonism," he said.

Lord Carrington said that the present Soviet action is not acceptable. If Soviet troops invade Poland, he said, the West European countries would react strongly. Noting that cooperation among West European countries had been strengthened a great deal since last year, he said that they shared similar views on events in Kampuchea, the Middle East and Poland.

Taking part in the talks on the British side were Edward Youde, deputy to the permanent under secretary of state and chief clerk, and P. Cradock, British ambassador to China.

On the Chinese side were Song Zhiguang, assistant minister of foreign affairs, and Ke Hua, Chinese ambassador to Britain.

Huang Hua Hosts Banquet

OWO11850 Beijing XINHUA in English 1833 GMT 1 Apr 81

[Text] Beijing, 1 Apr (XINHUA)--Huang Hua, vice premier and foreign minister, hosted a banquet here this evening in honor of the British Secretary of State for Foreign and Commonwealth Affairs Lord Carrington, Lady Carrington and their party. Addressing the banquet, Huang Hua pointed out that Britain is playing an important role in international scene. "It has in recent years made valuable efforts to help preserve world peace and security, strengthen the unity of West European nations, build closer relations between Western Europe and the United States, improve relations with the Third World countries and reinforce its own defence capabilities," he said.

"The blatant Soviet armed invasion of Afghanistan has led to mounting international tension. Together with most countries in the world, the British Government sharply condemned this expansionist act." Recently, Prime Minister Mrs Thatcher and Lord Carrington took a clear-cut stand by exposing the deceptive nature of the hegemonists' "diplomatic offensive." "We highly appreciate this," he added.

Speaking of China's domestic situation, Huang Hua said, "The Chinese people are now further readjusting and restructuring our national economy in order to realize the four modernizations program. Facts have proved that this policy is correct and has yielded marked results. As China's national economy develops, there will be undoubtedly broader prospects for economic cooperation and bilateral trade between China and other countries."

On Sino-British relations, he continued, "We are glad to note that the cooperative relations between China and Britain are developing steadily and in depth in the political, economic, cultural and scientific-technological fields. The two sides hold similar or identical views on many major international issues, Sino-British contacts are becoming more and more frequent. We should also see, of course, that there are still some problems in our bilateral relations that need to be solved through consultations." Huang Hua said he was convinced that Lord Carrington's visit to China would surely further contribute to deepening mutual understanding and strengthening friendly relations and cooperation between the two countries.

Lord Carrington noted in his speech that relations between Britain and China have never been better. He said: "During the last 3 years there has been a remarkable expansion in relations between Britain and China. High level contacts have multiplied. Our commercial, industrial and financial contacts are continuing. Cultural exchanges are also flourishing." "On many strategic questions the attitudes of our two governments are in close accord, and our practical approach to many problems is similar. We have differences in our political philosophies, but these do not reduce our common interest in the preservation of world peace, or our shared determination to resist aggression and expansionism, from whatever source they may come," he stressed.

Lord Carrington said that at the same time, the international situation is more disturbing than it has been for many years. "The invasion and occupation of Afghanistan--a violation of the most solemn principles governing international relations--has been justly condemned by the overwhelming majority of the United Nations. It has created dangerous instability in a region of great strategic importance, instability which will not be removed until foreign troops are withdrawn and Afghanistan is free to return to its traditional neutrality and nonalignment. Southeast Asia is another area of great and continuing concern. By their behaviour in Cambodia the Vietnamese have shown the same contempt for international opinion as the Russians in Afghanistan. We all want to see a Cambodia that is neutral and at peace and therefore a threat to none of her neighbours. As long as the Vietnamese Army of occupation stays, these goals will remain out of reach." Lord Carrington expressed the hope that the Arab-Israeli dispute will be solved in a proper way, and Iran and Iraq will settle their differences through peaceful means. He said: "I take particular satisfaction in the greater unity and purpose which the member states of the European Community have displayed in the field of foreign policy. We are speaking increasingly with a common voice."

Present at the banquet were He Liliang, wife of vice premier Huang Hua, Song Zhiguang, assistant minister of foreign affairs, and Ke Hua, Chinese ambassador to Britain. British Ambassador to China P. Cradock and Mrs Cradock were also present.

Talks Continue

OW020856 Beijing XINHUA in English 0812 GMT 2 Apr 81

[Text] Beijing, 2 Apr (XINHUA)--Chinese Foreign Minister Huang Hua and visiting British Foreign Secretary Lord Carrington continued their talks here today. Sources said that the talks centered on relations between China and Britain, including treatment of Chinese nationals passing through Hong Kong on private business. Huang Hua, who is also a vice premier, exchanged views with Lord Carrington on the North-South dialogue, the Iran-Iraq war and the situation in the Middle East, the reunification of Korea and other international issues. Meanwhile, Lady Carrington visited a primary school in Beijing.

VICE PREMIER ZHANG AIPING MEETS ROLLS-ROYCE GROUP

OW011302 Beijing XINHUA in English 1248 GMT 1 Apr 81

[Text] Beijing, 1 Apr (XINHUA)--Chinese Vice Premier Zhang Aiping today met with D.J. Pepper, vice chairman and commercial managing director of the British Rolls-Royce Limited, and his party in the Great Hall of the People here. The British guests arrived in Beijing yesterday for a visit to China at the invitation of the China Aviation Technical Import and Export Corporation.

BELGIAN KING SPEAKS WITH VICE PREMIER GU MU

OW020906 Beijing XINHUA in English 0821 GMT 2 Apr 81

[Text] Brussels, 1 Apr (XINHUA)--King Baudouin of Belgium received visiting Chinese Vice-Premier Gu Mu this morning. The king told the Chinese vice-premier that he and the queen will pay an official visit to China in May and expressed his thanks to the Chinese Government for the invitation. He hoped for more cultural exchanges between the two countries.

Speaking at a luncheon in honour of Gu Mu today, Belgian Prime Minister Wilfried Martens said his country was happy about the good relations existing between China and the European Economic Community.

Vice-Premier Gu Mu said that "Belgium has played an positive role in building the European Economic Community and strengthening European solidarity. We highly appreciate your efforts in this regard." Gu Mu expressed his belief that cooperation between China and Belgium in the fields of economy, trade, science and technology would continue to grow.

BELGIAN PRIME MINISTER OFFERS RESIGNATION

OW010838 Beijing XINHUA in English 0742 GMT 1 Apr 81

[Text] Brussels, 31 Mar (XINHUA)--Belgian Prime Minister Wilfried Martens today tendered to H.M. Baudouin, king of Belgium, the resignation of his government for its failure to reconcile the differences among the parties within the Cabinet. Political sources here revealed that the king made no immediate reply to Martens's request, but asked him to do his best to overcome the present difficulties. Martens said his government will assume all the responsibilities for controlling the situation of the country. The king summoned the leaders of all political parties and the presidents of the First and Second Chambers to a meeting to seek a solution to the present governmental crisis. The Belgian Government is a coalition of three major political parties--the Christian Social Party, the Socialist Party and the Liberal Party. Each of them is divided into two wings, the Flamands and the Walloons. The present crisis has stemmed from the differences of views among the government parties on Martens' proposed measures to reduce the budget deficit.

FRENCH MARXIST-LENINISTS ON KAMPUCHEAN ELECTIONS

OW011630 Beijing XINHUA in English 1622 GMT 1 Apr 81

[Text] Paris, 1 Apr (XINHUA)--The Marxist-Leninist Communist Party of France has issued a communique denouncing the Hanoi-directed sham elections in Kampuchea as "a new maneuver of the Hanoi leaders to make their crime accepted as a fait accompli."

The communique asked: "Could there be free elections in a country occupied by 250,000 foreign troops on whom the Vietnamese leaders rely in running a part of the country?" It said: "How could these elections have any meaning when hundreds of thousands of Kampucheans are in the liberated areas under the administration of the legal Government of Democratic Kampuchea?"

The communique pointed out that these are "only sham elections aimed at deceiving international public opinion."

FRANCE DECIDES TO SUPPLY WHEAT TO POLAND

OW020908 Beijing XINHUA in English 0818 GMT 2 Apr 81

[Text] Paris, 1 Apr (XINHUA)--A French Cabinet meeting presided over by President Valery Giscard d'Estaing decided today that France would shortly supply Poland with an aid of 400,000 tons of wheat as an emergency move.

The French president reportedly spoke to the cabinet that the French aid was designed to help the Poles restore their economy "without foreign intervention and internal violence." In an interview yesterday with Mieczyslaw Jagielski, vice-chairman of the Council of Ministers of the People's Republic of Poland, the president said that France would use its influence on Poland's major creditor nations to help reschedule Polish debts estimated at \$25 billion.

According to another report, France has in 1980-1981 fiscal year given about 1,500 million francs' assistance to Poland for grain purchase and another 250 million francs for other agricultural products and food.

FRG'S SCHMIDT REJECTS UNILATERAL DISARMAMENT

OW311629 Beijing XINHUA in English 1619 GMT 31 Mar 81

[Text] Bonn, 30 Mar (XINHUA)--West German Chancellor Helmut Schmidt firmly rejected unilateral disarmament by the West. He said any expectation that the Soviets would follow the example of such a commitment is not substantiated by historical experience. Schmidt's statement was published by the monthly EVANGELISCHE KOMMENTARE today.

He believed that the balance of power is in fact the best prerequisite to safeguarding peace, self-defense and mutual enjoyment of free will. He pointed out that anyone who refuses the policy of equilibrium and thinks that he may give up his own power, can only submit to his opponent's decision.

He stressed that those people who wanted West Germany to disarm are naive, irresponsible and possibly dangerous. He said: "Any German who tried to talk the West into disarming, assuming he had any success with our own people, would forfeit the trust and solidarity of the allies on whom we depend for our security."

RENMIN RIBAO ON SITUATION IN EL SALVADOR

HK290714 Beijing RENMIN Ribao in Chinese 28 Mar 81 p 7

["News Analysis" by Yao Chuntao [1202 2504 3447]: "The El Salvador Situation Is Evolving"]

[Text] Clashes between the various factions in El Salvador have developed into a fierce civil war, resulting in great turmoil in the country. The Reagan administration recently adopted a series of important steps to check Soviet and Cuban penetration and expansion in El Salvador. Latin American and European countries have expressed grave concern over the situation in that country. They have opposed foreign intervention and stressed that the people of El Salvador must decide their own affairs. Although the situation has eased to some extent, there are still potential dangers.

After being in office for 1 month, U.S. President Reagan chose El Salvador as the place "in America's backyard for a showdown with Russia." According to the American press, "the first test" of Reagan's resolve to check Soviet expansion "formed not in central Europe or the Persian Gulf, but in a small and poverty-stricken country in Central America."

The U.S. Government has indeed taken a series of extraordinary steps to express its resolve to block Soviet expansion in Latin America. From mid to late February, the United States launched a series of diplomatic and propaganda offensives in a planned way. It published a white paper detailing secret Soviet and Cuban activities and armed intervention, and also handed relevant aide-memoires to friendly embassies in Washington, denouncing the supply of arms by the Soviet Union in coordination with Cuba to the anti-government guerrillas in El Salvador. The United States sent special envoys to Europe and Latin America to inform allies and other friendly states about the situation, explain the stand of the Reagan administration, gain their support for the United States, and demand that Latin American countries "cooperate to halt foreign aggression." President Reagan, Secretary of State Haig and others repeatedly expressed grave concern over Soviet and Cuban "direct adventures in the Western Hemisphere," and pointed out that the activities of the Soviet Union and Cuba "have already reached an intolerable degree." Reagan even listed the Soviet attitude to El Salvador as one of the conditions in considering Brezhnev's proposal on holding a U.S.-Soviet summit meeting.

At the same time, the Reagan administration has changed a number of methods of the previous Carter administration and resumed all-round aid for the Government of El Salvador. The United States has transferred troops to the Caribbean area, held military maneuvers, and also sent ships and planes to patrol El Salvador's borders and check clandestine Soviet and Cuban weapons shipments. The United States has also warned Cuba that Washington may take direct action against her, including imposing a blockade, unless she stops shipping weapons to El Salvador. At the same time the United States has put pressure on Nicaragua by halting aid to that country, to help to put a stop to the activities of this Central American state in transshipping arms to El Salvador.

What actually has been going on in El Salvador, that the United States should attach so much importance to that country? The severe trial of strength between various factions in that country has now developed from small-scale armed clashes to a fierce civil war. The antigovernment guerrillas there have launched many "general offensives" for many years now against the government forces, who have also carried out large-scale suppression of the guerrillas. The situation in the country has become more and more turbulent. Using Cuba as its base, the Soviet Union has made great efforts to penetrate into El Salvador under the pretext of "supporting revolution." In mid-January, the El Salvador ruling junta announced that government forces had repulsed more than 100 guerrillas of unknown nationality who had invaded the country from Nicaragua. The press revealed that Moscow has sent senior officials to hold a secret conference in Havana to plot the overthrow of the current El Salvador regime.

I. 2 Apr 81

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PRC INTERNATIONAL AFFAIRS
WESTERN HEMISPHERE

Republican leaders in the U.S. Congress say that the Soviets have tested every U.S. president since John Kennedy; the weapons they are supplying to El Salvador "may be the first step in testing the new President," and Reagan has accepted this challenge.

On the other hand, people have seen that the "general offensive" launched at the beginning of the year by the antigovernment forces in El Salvador has been smashed by government troops, and the situation now is certainly not as critical as the new U.S. Administration has made out. The reason why the United States has chosen this situation is not because it is explosive but because she wants to take tough action in a place easily controlled just by her side, with the aim of letting Moscow know that "a new force" has emerged in Washington and that the era of "hesitation and lack of resolve" in U.S. foreign policy is over. Some people hold that behind the strong U.S. words directed to the Soviet Union, there seems to be a kind of keynote to the effect that the United States and the Soviet Union should respect each other's sphere of influence.

The U.S. attitude to El Salvador has evoked grave concern within America and in Western Europe. Many people are worried whether a "Vietnam-style" war will evolve in this Central American country. Although they sympathize with U.S. worries about Soviet expansion and support certain measures of the Reagan administration, Britain, France, West Germany and other allied countries in Western Europe are not in favor of overreaction. They have stressed that the future of El Salvador should be determined by the people of that country themselves without any foreign interference. The Canadian Government has proposed opposition to the supply of weapons to El Salvador by any country. Latin American countries such as Mexico, Venezuela, Brazil and Peru have expressed unanimous opposition to intervention in El Salvador by the great powers.

The activities of the Soviet Union and Cuba have now been checked to some extent. There has been a reduction in the supply of weapons from Cuba via Nicaragua. At the same time, there are reports that the Government of Nicaragua has guaranteed the U.S. Government that it will not ship arms to El Salvador. As a result of these things plus the fact that people in America and her allies are unwilling to expand the affair, the U.S. attitude to the El Salvador issue has recently moderated somewhat.

The El Salvador situation is complex; it is a difficult situation hard to stabilize. At the same time, competition between the United States and the Soviet Union in Central America remains fierce. The civil war is still going on in El Salvador. Hence, although the situation has somewhat eased for the moment, there is potential danger there, like a volcano that could erupt at any time.

VICE FOREIGN MINISTER LEAVES FOR LATIN AMERICA

OW011214 Beijing XINHUA in English 1207 GMT 1 Apr 81

[Text] Beijing, 1 Apr (XINHUA)--Chinese Vice-Minister of Foreign Affairs Zhang Wenjin left here today by air to pay a work-visit to some Latin American countries.

CONDOLENCES ON DEATH OF TRINIDAD, TOBAGO OFFICIAL

OW311415 Beijing XINHUA in English 1230 GMT 31 Mar 81

[Text] Beijing, 31 Mar (XINHUA)--Zhao Ziyang, premier of the State Council of the People's Republic of China, today sent a message to George Chambers, the new prime minister of the Republic of Trinidad and Tobago, expressing deep condolences on the passing away of Eric Williams while in office as prime minister of the republic. The message reads as follows:

"Shocked to learn of the untimely passing away of His Excellency Eric Williams, prime minister of the Republic of Trinidad and Tobago. I, on behalf of the Chinese Government and people and in my own name, wish to express our deep condolences to the government and people of Trinidad and Tobago and our sincere sympathy to the bereaved family.

"Prime Minister Williams waged an unrelenting struggle to attain and safeguard national independence and state sovereignty of Trinidad and Tobago, and develop its national economy and culture, thus winning the respect of the people. He made valuable contributions to promoting friendly relations between China and Trinidad and Tobago, and will always be remembered by us."

ARGENTINE ECONOMY ON EVE OF NEW ADMINISTRATION

OW271304 Beijing XINHUA in English 1228 GMT 27 Mar 81

["Argentina's Economy in Retrospect--By Correspondent Jiang Ruixi"--XINHUA headline]

[Text] Buenos Aires, 26 Mar (XINHUA)--Argentina is on the eve of transference of power from the outgoing to the incoming government. People in the country are all much concerned over the economic situation and the possible way of the new administration to deal with it. What is the real economic situation of this South American country with its rich resources and developed industry and agriculture?

During its five years in office, the present government has pursued an open policy of market economy, reducing state interference, cutting down nationalization, encouraging inflow of foreign capital and promoting free competition. It has taken the "gradualist" measures of devaluation below the rate of inflation with a view to curbing price increases. During the period, inflation has eased off remarkably, and production recovered considerably. However, the GDP and balance of international trade and payments have not shown a steady improvement with their ups and downs in the past few years.

Political parties, trade union and business circles are critical of the present stagnation of production, budget deficits, rising foreign debt, soaring prices and other economic evils. At the same time, not a few economic analysts emphasized that despite all these, an evident change has taken place in contrast to the chaotic situation in early 1976. They pointed out that of the \$27,000 million foreign debt, half is for the import of modern machinery for manufacturers and for expanding electric power production, highway construction and communications. They also pointed out that many foreign enterprises are expanding their operations here indicating that they are hopeful of the economic future of this country. Although there is a certain decrease in real wages, social consumption still maintains a fairly high level. To cite an interesting example, the January motor vehicles sales was 7.6 percent above January last year and an all-time high for the month.

Economy Minister Martinez de Hoz in his last public address on March 12 said that it is difficult to make an overall evaluation at the moment of the outcome of the economic reform program in the past years. While many countries in the world including those big powers are suffering a serious energy crisis, unemployment, recession and inflation, there is no unemployment in Argentina, food and energy are abundant and even the ups and down have generally served to transform the bases of the economy. On the other hand, he admitted that the financial reform has given rise to some negative consequences, for instance, rampant speculations.

The most disturbing economic problems at present are first, the unstable monetary and financial situation, and, secondly, the high interest rates hampering normal business operations. The Argentine peso has long been unrealistically overvalued. The gradualist devaluation of 10 percent as compelled by the situation in early February and turbulence in the financial market have made the people lose confidence in the currency. The buying spree for U.S. dollars has drained more than \$3,200 million from the country's foreign currency reserves since the beginning of 1981.

On the other hand, the raising of interest rates to check capital outflow has created an unbearable situation for the enterprises. An economic expert said recently that with a monthly interest of 12 to 14 percent and an annual interest of over 100 percent, how can a businessman survive?

Now industrial, agricultural and other circles, all kinds of interest groups in the community are hoping that the new administration would change its policy to the benefit of each of their own sector. Industry cries for financial support and reduced taxation; agriculture and animal husbandry demands a large devaluation on the peso and higher prices for their products; the education circle asks for an increase of funds. However, economic experts here believe that to meet all these demands at the same time is simply impossible. This is because the economic capacity of the country is limited and if the government is prepared to take care of certain departments, it will have to watch out not to do it at the expense of the others. For example, raising of tariffs, large devaluation of the peso and rigid control of the financial sector will all have side effects.

Many analysts agreed that the fundamental weak point lies in the fact that Argentine public expenditure and social consumption has long surpassed the productive ability of the society. This is the root cause of inflation and many other economic evils. The great majority of the public now agree to an economic open policy in order to revitalize the economy. But as the analysts pointed out, to achieve this goal, certain cost will have to be paid. Raul Prebisch, well-known Argentine economist and first president of the central bank here said recently, "My people believe in miracles, but in economics there are no miracles."

Facing the thorny economic questions and under the pressure of various circles, the new economic team is expected to be more "flexible" and to make certain adjustments. The new Finance Minister Lorenzo Sigaut said that the state must support the industries which it wants to promote, and exports of manufactured goods and primary products must be stimulated. At the same time, he stressed the opening up of the economy which he regarded as "essential and irreversible." And General Leopoldo Galtieri, commander-in-chief of the army and member of the military junta put the answer briefly: There will not be "a change of 180 degrees."

CCP WORKERS DELEGATION LEAVES VENEZUELA FOR GUYANA

OW311423 Beijing XINHUA in English 1239 GMT 31 Mar 81

[Text] Caracas, 30 Mar (XINHUA)--The delegation of the Chinese Communist Party (CCP) workers led by Zhang Zhixiang, deputy head of the International Liaison Department of the CCP Central Committee, concluded its visit to Venezuela today.

The delegation arrived here on March 19 at the invitation of the Christian Social Party of Venezuela (COPEI). It was received by Rafael Caldera, top leader of the COPEI and former president of Venezuela. It held talks with General Secretary Eduardo Fernandez and Vice President Haydee Castillo de Lopez of the COPEI, and with General Secretary Aristides Calvani of the Christian Democratic organization of Latin America.

The delegation also had talks with General Secretary Pompeyo Marquez and President Teodoro Petkoff of the Movement to Socialism of Venezuela.

It has met with leaders of the Democratic Action Party and the Socialist League of Venezuela. The delegation leaves for Guyana tomorrow.

VENEZUELAN CHRISTIAN SOCIAL PARTY LEADER TO VISIT

OW011515 Beijing XINHUA in English 1500 GMT 1 Apr 81

[Text] Beijing, 1 Apr (XINHUA)--Rafael Caldera, leader of the Christian Social Party of Venezuela, is scheduled to arrive here on April 3 for a 10-day visit to China.

Caldera and his delegation were invited to visit China by the Communist Party of China.

VENEZUELAN PRESIDENT REJECTS BLOC POLICY

OW311637 Beijing XINHUA in English 1556 GMT 31 Mar 81

[Text] Caracas, 30 Mar (XINHUA)--Venezuelan President Luis Herrera Campins said here today that "Latin America is and should be a zone of peace and we will not accept outside dictates." "We reject bloc policy," he stressed.

Opening the seventh regular Latin American council meeting of the Latin American Economic System (SELA), Herrera said, "SELA is the first arena of our continent for multilateral activities." "When developed countries are seeking solutions in their own interests, we should carry on our fight on the common front to establish a new international economic order and create international social justice," he said.

The president went on to say that while profound crises persist in the world, the blocs which are in a position of domination refuse to recognize injustice and inequality in international economic relations as the root cause of crises. They are trying to regain hegemony by means of protectionism, control of technology, spheres of influence, use of force and expansionist adventures. Herrera pointed out that big powers in the world are resorting to the policy of reindustrialization based on the reestablishment of protectionist barriers and imposition of harsher conditions on technical transference and foreign credits. Such a situation has intensified their rivalry for a redivision of spheres of influence, he noted.

President Herrera said that the economic and social situation in Latin America is deteriorating with each passing day. Meanwhile, he continued, there exist some danger spots which, in some cases, originated from domestic situations, and in others, were caused by interests outside the region. "Some people are attempting to bring the conflict between the superpowers to our region, dragging us onto the dangerous stage of the cold war."

NE ZHIFU STRESSES IMPORTANT ROLE OF MODEL WORKERS

OW020628 Beijing Domestic Service in Mandarin 1200 GMT 31 Mar 81

[Text] Ni Zhifu, member of the Political Bureau of the CCP Central Committee and president of the All-China Federation of Trade Unions, pointed out in his speech at the Hebei provincial congress of model workers and staff and advanced collectives on the morning of 31 March that it is necessary to attach greater importance to and bring into fuller play the role of model workers during the course of economic readjustment.

He said: The party and government have always attached great importance to model workers. In the course of economic readjustment, our party and government still more ardently expect that comrades will give full play to your leading, backbone and bridging role and make great efforts to study politics, culture, techniques, professions and management in order to meet the needs of the four modernizations. You should make yourselves models in work and production and examples in building socialist spiritual civilization and promoting the five stresses and four beauties. It is our hope that comrades maintain close ties with the masses, carry forward the spirit of fearing neither hardships nor death and popularize this spirit among the people of the whole country.

Comrade Ni Zhifu pointed out: Trade union organizations, and in particular leading trade union cadres, should be concerned politically about the model workers and support them in their work; do not let them have too many concurrent jobs or too many social activities. This is so they can do an even better job at their posts. It is necessary to prepare the conditions for their study and advanced study and educate the masses of workers to learn from them so the model workers' ideology becomes the whole society's treasure.

SONG RENQIONG ATTENDS MEMORIAL FOR NOTED EDUCATOR

OW020435 Beijing XINHUA Domestic Service in Chinese 1534 GMT 1 Apr 81

[Text] Beijing, 1 Apr (XINHUA)--Dai Botao, noted educator in China, member of the Fifth CPPCC National Committee and principal responsible person of the People's Education Publishing House, died of acute myocardial infarction at the age of 74 on 6 March 1981.

Dai Botao came from Danyang County in Jiangsu Province and was admitted to the Communist Party of China in 1937. During his youth he was determined to devote himself to the cause of education to search for ways to reform traditional education. He was admitted to Xiaozhuang normal school founded by Tao Xingzhi, a noted educator of the people. Since then he had engaged himself in educational work and devoted his whole life to the cause of education in China. He made important contributions to the cause of democratic education in China, to the publishing of teaching materials for middle and primary schools, to the editing and publishing of books on theories of education and to the training of personnel engaged in editing teaching materials or in studying theories of education.

A memorial service for Dai Botao was held today at the auditorium of the Babaoshan Cemetery for Revolutionaries. Among the 300 people attending the memorial service were representatives of the masses, and responsible persons from the departments concerned including Song Renqiong and Ye Shengtao.

FORUM WORKS OUT AGRICULTURAL DEVELOPMENT PLAN

OWO20951 Beijing XINHUA Domestic Service in Chinese 1141 GMT 31 Mar 81

[Text] Beijing, 31 Mar (XINHUA)--To discuss and formulate a long-term plan for agricultural development, the State Agricultural Commission recently invited some agricultural scientists and experts and scientific and technological personnel of various agricultural departments in Beijing to a forum to listen to their opinions and proposals.

Agricultural scientific workers at the forum held that this is the first time for a department in charge of agriculture to call such a forum for planning overall agricultural development. This shows a change in the work style of the department in charge of economic planning; in other words, it has changed its way of doing things by arbitrarily setting high targets in disregard of reality and passing them from the top to the grassroots level for implementation. Instead it now attaches importance to science and the opinions of all other agricultural scientists and agroeconomists. Consequently everyone spoke his mind loudly and freely and put forth many constructive views for speedy development of agriculture in our country.

Participants at the forum held that the agricultural front had long been a victim of "left" influence; the seriousness of this kind of pernicious influence should not be underestimated. In order to map out a practical and feasible agricultural development plan, it is necessary to vigorously set things right by criticizing "left" things. The participants at the forum cited a host of facts reviewing the road we took in developing agriculture in the past several decades in our country since nationwide liberation. They talked about the internal structural imbalance in agriculture, the irrational aspects of the agricultural system, the subjectiveness and blindness of the agricultural guiding thought in the past, the existing problems of failing to improve and raise the material and cultural standards for the 800 million peasants over the years, and the deep-rooted "left" influence on the agricultural front. All this must be clarified and dealt with in formulating the long-term plan, they said.

In their speeches many participants warmly praised the spirit of seeking truth from facts and of doing things according to local conditions since the 3d Plenary Session of the 11th CCP Central Committee in implementing the various economic policies that have brought about tremendous changes in the rural areas. They said: For a rather long time, our development of agricultural production will still have to rely mainly on consistently implementing the guidelines of the third plenary session. We should continue to put into effect and perfect the economic policies relating to agriculture, especially the various forms of responsibility systems suitable to local conditions, so that we can put the 800 million peasants' enthusiasm for production into full play. This is the fundamental step for eradicating the leftist pernicious influence on the agricultural front and changing the agricultural status quo in our country to make the agricultural development plan work.

Many scientists, experts and scientific and technological personnel at the forum worked out an agricultural development plan compatible with our national realities based on our national conditions, national resources and current state of national agricultural production. They exchanged views and put forward numerous proposals. Many people pointed out in their speeches that there are many favorable conditions for agricultural development in our country, as we have a huge population, rich natural resources and all types of climate. Besides, ours is an agricultural country with a long history, and our peasants possess rich agricultural knowledge. As long as we proceed from reality, act in line with the law of nature and economic law, and put the superiority of all different regions into full play, and as long as we do not seek uniformity in everything, we will be able to steadily bring up our agricultural production and more quickly improve the peasants' livelihood.

In pursuing this goal, we should attach importance to the simultaneous development of agriculture, forestry, animal husbandry, sideline production and fishery. To this end, we must set our eyes on improving agriculture by extending our horizon from the limited 1.5 billion mu of arable land to the 916 million square kilometers of land in the country and the vast spans of oceans and seas. The participants also put forward numerous proposals on the work in various areas within the agricultural framework and proposals on the control and development of the arid areas on the loess plateau in the northwest; the saline-alkali areas in the Huanghe, Huaihe and Haihe River basins; and the red soil areas in the south.

ECONOMIST VIEWS DEVELOPMENT, NATIONAL CONDITIONS

HK011438 Shanghai SHIJIE JINGJI DAOBAO in Chinese No 2 Mar 81 p 2

[Report: "Cai Beihua Talks on Understanding the National Conditions"--capitalized passages published in boldface]

[Text] Cai Beihua, an economist and deputy director of the Shanghai Academy of Social Sciences, talked about his understanding of China's national conditions on 26 February at the fortnightly economic seminar in Shanghai. The following are excerpts of his speech:

Cai Beihua said: Comrade Chen Yun said recently that we are carrying out construction in a country with a population of nearly 1 billion of which 800 million are peasants. We must understand this point and understand it rather soberly. In the past we often proceeded from our own subjective thinking rather than from China's national conditions in carrying out construction. Because we went against our national conditions, we inevitably made mistakes although we meant well. Comrade Chen Yun called on us to understand anew China's national conditions. This is something very important.

Cai Beihua then went on to discuss whether it is possible to view China's national conditions from the following aspects:

UNBALANCED ECONOMIC DEVELOPMENT

First, China's economic development is not balanced. Take our rural areas for example. In the country as a whole more than one-third of the rural areas have relatively good natural and social conditions. In these places agriculture develops quite fast, income is fairly high and the collective economy is fairly well consolidated. In less than one-third of the country's rural areas economic development is slow and income derived from agriculture is relatively small. In some communes the commune members are only given small amounts of food rations; some are even eating resold grain and have to rely on household sideline production or private plots to make ends meet. In these communes approximately two-thirds of the agricultural income is earned by individuals and the rest is earned by the collective. The remaining one-third of our country's rural areas are average, though some are more prosperous than the others. Therefore we must adapt management methods to local conditions and must not demand uniformity.

THE LEVEL OF NATIONAL INCOME IS LOW

Second is the question of national income. In Shanghai the per capita income is \$2,000, although some believe it to be only \$1,700 or even \$1,500. That of Beijing is around \$1,000 and that of Tianjin is roughly \$1,500. In some places the figure is as low as \$100 or \$200. What was the picture of agricultural income in the rural areas in 1979? On average, each commune member received 84.3 yuan from collective earnings. Beijing, Tianjin and Shanghai averaged more than 140 yuan; Liaoning, Jilin and other places averaged between 100 and 140 yuan; Yunnan and Sichuan averaged less than 70 yuan; Guizhou averaged 46 yuan and Gansu averaged 56 yuan.

In some production teams people were paid less than 50 yuan, which was not enough to buy food. Because there was a bumper harvest in 1979, the rural population received a grain ration of 765 jin per capita on average. At present we must and can increase agricultural output each year. A large part of the increased output is to be used on improving the livelihood of the peasants in the rural areas, not on the rural areas or on industry. We have a great disparity in income, and that is why we say that we can at most be comparatively well off by the 21st century. In other words, per capita national income may range from \$1,000 to \$500 according to the conditions of various places.

A SOCIETY WITH A STRATIFIED ECONOMY

Third, ours is a society with a stratified economy. We have ownership by the whole people in the cities, collective ownership in the countryside, individual economy, joint state-private ownership, joint ventures using Chinese and foreign investment and so on. In the past we wanted to do away with individual economy, and we referred to household sideline production, rural trade fairs and individual economy as the tails of capitalism and wanted to remove them. We were mortally afraid of capitalism. Therefore Comrade Xue Muqiao said in his recent speech that we still have to keep a little bit of capitalism and must not be afraid of it. Comrade Chen Yun used to talk about large collectives and small freedoms. Therefore we must now build up a stratified economy and must not stick to a single-product economy. In the past we tried to make the transition in spite of poor conditions and to do away with individual economy and the tail of capitalism. We wanted to make the transition from three-level ownership directly to collective ownership and ownership by the whole people. We thought that the larger the scale the better and the more socialist it would be. These ideas were not based on our national conditions. In his day Marx envisaged that a socialist country could wipe out the small producers in no time after successfully carrying out revolution. This argument may not be quite what it sounds like.

LARGE POPULATION AND HUGE CONSUMPTION

Fourth is a large population and a huge consumption. If the population increases by 12 million a year, we will have more than 1 billion people by 1982. The increase of 12 million people a year, with individual consumption and social consumption at about 250 yuan, will require an additional 3 billion yuan in the consumption fund. If each person consumes 500 jin of unprocessed grain, then grain consumption will increase by 6 billion jin for the additional 12 million people. That is why a part of what we increase each year will be eaten up.

AGRICULTURAL RESOURCES ARE NOT ABUNDANT

Fifth, our agricultural resources are not abundant. The cultivated area of 1.49 billion mu, which averages out to 1.5 mu per capita, is about 4 mu less than in India. This is less than half the world's average figure of slightly over 4 mu. The forestry area of 1.8 billion mu, which averages out to 1.8 mu per capita, is only one-eighth the world's average figure of 15 mu. The grassland area of 3.36 billion mu, which averages out to 3.4 mu per capita, is less than one-third the world level of slightly over 10 mu. These are our agricultural resources based on the population. Our agricultural, forestry, animal husbandry and fishery resources are also very poor. In recent years ecological damage has been very serious. This is particularly so in parts of Sichuan and Yunnan. At present the rare birds and beasts of some areas in Yunnan have fled to Burma and other places where there are still forests. At present reclamation of lakes and of seas is still going on. Such places as the Taihu Lake and the Dongtinghu Lake have been rather seriously damaged. This is why the natural conditions for agricultural production in China at present are not so good. In the last 30 years an average of 420 million mu have been affected by natural calamity every year. Comrade Chen Yun estimated that in 10 years China's agriculture has had more or less 3 years of bumper harvests, 4 years of average harvests and 3 years of poor harvests.

THERE IS VERY LITTLE SURPLUS AGRICULTURAL PRODUCTION

Sixth, there is very little surplus agricultural production. We produce only 15 percent of the marketable grain. According to the forecast of the department concerned the present ratio of grain distribution is: farm ration accounts for about 60 percent, seed grain, feed and collective reserve account for 20 percent and state purchasing accounts for about 20 percent. The present production of grain and cash crops is not high, and this is why we import grain. We have to spend a great deal of foreign exchange to import grain, cotton, animal and vegetable oil and sugar. This is why we cannot afford to import other things on a large scale. Our agriculture has not passed the barrier.

LOW CULTURAL AND SCIENTIFIC LEVELS

Also, the cultural and scientific level of our people is rather low, our technical force is rather weak, our management level is rather poor and, furthermore, feudal ideas and vestiges are rather serious. All these are our national conditions, and these conditions objectively exist.

Comrade Zhao Ziyang said that in order to correctly understand China's national conditions the most important thing is to unify the thinking of the whole party. Why did our new democratic revolution succeed? It was because our Chinese Communist Party and Chairman Mao had carried out investigations and studies, found out about the national conditions and successfully summed up the laws governing the new democratic revolution. In the last 30 years, after many setbacks, we have slowly found a guiding principle. This is the experience summed up for us by Comrade Chen Yun.

Proceeding from China's national conditions, we not only oppose the theory of fast victory, but we also oppose the theory of pessimism. We have the leadership of the experienced Chinese Communist Party, the superiority of the socialist system and the positive and negative experiences and lessons of the past 30 years. As long as we clearly understand our national conditions, adopt policies and principles conforming to national conditions and work with one heart and mind in a down-to-earth manner, we will be victorious and successful. At present we must resolutely implement the policies and principles of the 3d Plenary Session of the 11th CCP Central Committee and the important policy decision of the work conference of the CCP Central Committee. There is an unlimited bright future ahead of us.

RADIO LECTURE ON DEVELOPING, EXPLOITING TALENT

OWO20245 Beijing Domestic Service in Mandarin 2315 GMT 30 Mar 81

[26th lecture on question of talents by (Xu Liyan): "Learn From Experience of Foreign Countries in Developing Talents"]

[Excerpts] Over the past dozens of years many countries, particularly the developed capitalist countries, have paid great attention to the development of talent. This is because talent has played an important role in the development of science, technology and economy since the end of World War II. For instance, thanks to the invention of the transistor by U.S. physicist Bardeen, a Nobel Prize winner, and others in 1948, there came into being the semiconductor industry. In the mid-1970's the annual sales of this new industry reached \$50 billion. In addition, the birth of the transistor also brought forth the revolution in the electronics industry and ushered in the age of space navigation and the age of computers. As a result, benefiting by the use of low-priced and convenient electronic appliances and devices, the life of human beings also changed qualitatively.

In Japan the scientific and technical field and the economic field also appeal loudly to the public: If Japan, a country poor in resources, small in land area and vast in population, wants to remain prosperous after entering the 1980's, the only way is to go all out to speed up the exploitation of the resources of talents and the training of talented persons who have creative spirits.

This pressing need for talent has been understood by most of the countries in the world. The solution to the question of talent as a major means to solve the worldwide crises of resources, energy and population has also been universally recognized. At present international research in exploiting talent resources stresses the following four major aspects:

1. It is necessary to start early-stage education as soon as possible to speed up the training of an echelon of talent.
2. It is necessary to establish various kinds of organizations to regulate talent so as to efficiently bring talents into full play.
3. It is necessary to popularize extended education to create conditions for the training of talented middle-aged people.
4. It is necessary to develop an industry which exploits the resource of talent among old people.

We will now look at the first aspect: starting early-stage education to speed up the training of an echelon of talent.

Today's achievements in scientific research have shown people more and more about the necessity of starting preschool education as early as possible. Over the past few years the United States has decided to focus education in the 1980's on training talented children as early as possible. It has run many schools and centers exclusively for the purpose of training talented children at an early age. Through early-stage education it is possible to train outstanding talented persons as soon as possible. The length of training for talented boys and girls in the juvenile class of the University of Science and Technology of China is also shortened because they received early-stage education in their childhood.

China has not yet scientifically and systematically developed early-stage education in a widespread way. This is a gap which needs to be filled urgently. Our country has over 120 million children. We must create all kinds of conditions for them to speed up the training of this mammoth echelon of talent and lay solid foundations for them so they can become all kinds of useful talented persons.

The second aspect is: establishing various kinds of organizations to regulate talent so as to efficiently bring talent into full play. Along with the development of modern science and technology and economy, the development of a country is no longer determined merely by the number of talented persons it has. More importantly, a country's development is also determined by how its talented persons are brought into full play. Because of the present-day knowledge explosion, even a college-educated professional and talented person can not use in his lifetime all that he has studied in college. At present the number of branches of science has increased to one or two thousand. In his lifetime a scientific and technical worker can no longer use all his knowledge and capability to satisfy the needs in his post. To adapt a talented person's talent and ability to his work so that the right person is assigned to the right work post to play the right role, it is necessary to establish organizations to regulate talent.

The third aspect is: popularizing extended education to create conditions for the training of talented middle-aged people. Talented middle-aged persons are the mainstay in the structure of talents. China's middle-aged scientific and technical personnel are an important force in the four modernizations. However, they have been greatly affected by the 10-year turmoil and the outdating of their knowledge. They need replenishment of the latest scientific knowledge so they can scientifically keep abreast of the times. Therefore, on the one hand, the state should develop extended education to provide talented middle-aged persons with opportunities to engage in advanced studies; on the other hand, middle-aged persons themselves must also study hard by self-study to continuously acquire the latest knowledge and improve the skills needed for serving the people.

The fourth aspect is: developing an industry which exploits the resource of talent among old people. At present some foreign countries stress that it is necessary to let old people reenter society to serve society so as to exploit the resources of talent among old people.

Some countries have built an industry suitable for old people as a means of postponing their retirement. China has a very abundant resource of talent among old people. They are our very precious assets. The exploitation of the resource of talents among old people is an important new social topic. A good solution to this question is of far-reaching significance.

The development of talent in foreign countries supplies us with experience which we can make use of. Of course, we must not copy such experience indiscriminately. We must integrate it with our national conditions and absorb those practices that are useful to us and feasible, thereby making foreign things serve China. China's potential in the resources of talent is very great. If we bring the superiority of the socialist system into full play and make efforts to exploit them, we can certainly create a situation in which people of talent come forth in large numbers and make splendid achievements.

GUANGMING RIBAO EXAMPLE OF IMPORTING TECHNOLOGY

HK250716 Beijing GUANGMING RIBAO in Chinese 3 Mar 81 p 4

[Article by Chen Jingsheng [7115 4552 3932]: "An Example of Importing Technology From Abroad in China's Modern Economic History--On the Achievements of Yongli Chemical Industry Company in Importing and Developing Technology"]

[Text] The Yongli Chemical Industry Company (hereafter called Yongli for short) is a typical basic chemical industry of the Chinese people established in old China. From its development of introducing advanced foreign technology to exporting advanced technology abroad and from its development of overtaking the advanced world technical level and achieving technical achievements which amazed the world, it has made an indelible contribution to the introduction of the modern chemical industry in China and written an extremely glorious chapter in the contemporary economic history of our country. Today we are paying special attention to observing and studying the history of the development of Yongli from its technological aspects and exploring the cause of its success, as this is very significant.

I

Fan Xudong was the principal founder of Yongli. He was a patriotic national capitalist as well as an expert in chemical technology and business management. He devotes his whole life to the struggle for the building of the nation's basic chemical industry.

In his early years Fan Xudong studied abroad in Japan. He was a graduate of the Chemistry Department of the Kyoto Imperial University and had also visited Europe to study the administrative aspects of salt production. In order to resist imperialist dumping and develop the national economy, he made up his mind to build a basic chemical industry in China. He originally had the intention of beginning with salt production, but in view of the difficulty and abstruseness of salt production technology and the fact that the market was monopolized by the British Brunner, Mond & Company Limited, he did not hastily set up a salt production plant, but proceeded instead with the easier-to-run salt refining industry first.

In 1914 Fan Xudong and others founded the Juida Refined Salt Company. Fan Xudong became its general manager. Juida was an immediate success. Business flourished and it was making a great deal of money. With Juida as a base, Fan Xudong took advantage of the sharp decrease of foreign salt imports and the urgent demand for salt in China during World War I to set up the Yongli Salt Production Company with Jing Xueqian and Chen Tiaofu and others in 1917. Through his connections Fan Xudong obtained tax relief for the salt produced for domestic consumption. Together with such founders as Wang Jitong and Chen Tiaofu, who understood technology, he again carried out salt production experiments on a small scale until success was achieved before formally inaugurating the Yongli in Tianjin in 1918.

The authorized capital was set at \$2 million silver, and Fan Xudong became the general manager. He realized that salt production technology had a bearing on the success and failure of the enterprise. He considered the Leblanc method to be obsolete as product quality was poor and there were too many byproducts. Although the technology of the Solvay method was more complex, it was lower in cost, its technology was more advanced, and it had better prospects for development. He therefore decided to adopt the Solvay method.

However, the Solvay method was always closely guarded by the Solvay consortium. To set up a plant using the Solvay method, people who could design and control the technology of a plant using the Solvay method must be found to carry out the quest anew. However, it was not easy to find such people in the industrially and technologically backward old China. Fan Xudong was keenly aware that "qualified people are the true cornerstone of an enterprise," and the first thing he did was to try and recruit qualified people. He commissioned Li Guoqian of the Huachang Company in New York, who was familiar with conditions in the United States, to help him in his search, and also asked Chen Tiaofu, who was engaged in advanced studies nearby, to make arrangements with him. Li Guoqian found W.D. Mount, an engineer who was familiar with the blueprint of a salt plant using the Solvay method, as well as several brilliant Chinese students who were studying in America, including Hou Debang, who was about to receive his doctorate in chemical engineering from Columbia University. Hou Debang greatly admired Fan Xudong. Fan Xudong also considered Hou Debang to be a rare find and immediately decided to entrust him with full power over the technological aspects of Yongli. With the blueprint supplied by W.D. Mount and based on actual conditions in China, Hou Debang and the others worked night and day to complete the design for the Yongli Salt Production Plant. Based on the design drawings, Hou Debang placed orders for the purchase of such equipment as the carbonic acid tower which could be produced within the country from China. Equipment such as the carbonic acid compressor which could not be produced in China was ordered from England and the United States.

When Hou Debang and the others returned to China to take part in the erection of the plant, the technical contingent of Yongli gradually began to take shape. Apart from the Chinese students hired in the United States, there were also a number of graduates with real ability and learning chosen from Chinese engineering colleges as well as a few foreign engineers. Yongli also adopted the method of setting up apprentice training classes, recruiting graduates from professional schools and training its own technicians.

When the plant was completed in 1922, because of unfamiliarity with the technology, some of the machinery and equipment could not be used and all sorts of troubles appeared in test runs and production. The trusts of such countries as England and the United States gloated over our misfortune. They held that as Japan at that time was still using the Leblanc method, China had "overreached itself" in adopting the Solvay method. The shareholders of Yongli were also discussing the matter and demanded the replacement of Hou Debang by a foreign engineer. Fan Xudong prevailed over all dissenting views and gave Hou Debang his full support. This enabled Hou Debang to "wholeheartedly concentrate on solving technical problems." The thinking of Hou Debang at that time was: "Today we can only advance through fire and water and ignore everything." "If we should fall short of success at the final stage and cause the Chinese people to never again dare to mention the 'chemical industry' in the future, then we will become the sinners of China." This fully manifested the great sense of responsibility of our pioneers in chemical technology. From then on, Hou "completely disregarded his own safety and spent all his time in the factory." He went deep into the workshops and diligently worked alongside the technicians and workers for 4 to 5 years before he could overcome all the technical problems one by one. The difficulty of this work was not much different from making new discoveries. The quality of pure salt passed the test and the Yongli triangle brand pure salt won a gold medal at the international exposition. The annual output of over 13,000 tons also reached the projected demand, and supply to the market began. At that time, not only was the company able to "breathe a sigh of relief and rejoice," but the confidence of the Chinese people regarding technology was also strengthened.

Apart from technical and financial problems, Yongli also encountered pressure from the British Brunner, Mond & Company Limited. When Yongli was being established, the manager of the China branch of Brunner, Mond & Company threatened Fan Xudong: "China indeed attaches great importance to salt, but unfortunately you are a bit premature. Judging from conditions, it will not be too late in another 30 years." Fan pointedly replied: "My only regret is that we did not start 30 years earlier. Everything depends on human effort. If we start catching up now, it is still not too late." When Yongli started supplying the market, Brunner, Mond & Company again offered technical and financial cooperation in an effort to control the company. When the offer was turned down by Fan Xudong, Brunner, Mond & Company immediately resorted to price-cutting in an attempt to crush Yongli. Brunner, Mond & Company was known as the salt king, and it had never lost in a price war in the past. In the face of this unequal competition, Fan Xudong, on the one hand, lowered its price to meet the challenge and, on the other hand, worked hard to find a solution. Because of his familiarity with the condition of Japanese enterprises, Fan took advantage of the fact that Mitsui had no salt plant of its own to compete with Mitsubishi to offer the Yongli pure salt agency in Japan to Mitsui. The low selling price for salt set by Yongli forced Brunner, Mond & Company, which enjoyed an extensive market in Japan, to also lower its price. This hit Brunner, Mond & Company in a sore spot, and it had no alternative but to announce its decision not to cut prices in the future to compete in the China market.

Yongli took advantage of this favorable opportunity to build a caustic soda plant. It increased its pure salt producing facilities and added the production of caustic soda and pure salt. In 1936 it increased its pure salt output to more than three times that of 1927, and there was also a further improvement in quality. "One wing of China's basic chemical industry was formed."

After experiencing all kinds of hardships and difficulties, Yongli eventually overtook the advanced world technical level, set up a national salt production industry and smashed the monopoly of Brunner, Mond & Company over the salt market in China. According to the distribution agreement for the China market (including Hong Kong) reached between Yongli and Brunner, Mond & Company, 55 percent of the market belonged to Yongli and 45 percent belonged to Brunner, Mond & Company. In old China, it was quite unusual for a national capital company competing with an imperialist monopoly enterprise not to be annexed by it, and one that could prevail over an imperialist monopoly enterprise and get a larger share of distribution was even harder to find.

At that time various kinds of acids were still monopolized by Brunner, Mond & Company and a German company. Fan Xudong boldly stepped forward to undertake the setting up of an ammonium sulphate plant. With an investment of \$2 million silver underwritten by four banks, including the Shanghai Commercial Savings Bank, the Yongli Salt Production Company was at that time reorganized as the Yongli Chemical Industry Company. Fan Xudong personally took charge of the building of the wharf and the plant premises in the country and Hou Debang was given full responsibility over the technical aspects of the plant. Hou led a number of engineers including Yang Yunsan to the United States to study and solve the technical problems.

While in America, although Hou Debang had commissioned a U.S. company to prepare the design, he still personally examined, studied and approved all the drawings. To fit in with actual conditions in China, he had 700 of the drawings redrawn. He always based his calculations on the lowest value of water, coke and sulphur to improve the adaptability of the equipment. At the same time, in order to save money and obtain the most advanced equipment, all machinery and equipment which could be produced in the plant were made by the plant itself. What could not be produced in China was ordered through the Huachang Company in New York from plants in Europe and the United States. Hou Debang also personally visited all the plants to make comparisons before placing the orders. He did not mind paying high prices for such vital equipment for the ammonium sulphate plant as the multipolar type of gas compressors in order to obtain the most advanced machinery in the world. Hou Debang also arranged for Yang Yunsan and the other engineers to do fieldwork with relevant factories in the United States and acquire practical experience in the production of ammonium sulphate and nitric acid.

When the machinery and equipment ordered from abroad arrived in China, work on the wharf and plant buildings was also completed. Hou Debang immediately provided leadership for the installation work. In just 2 and 1/2 years, this first ammonium sulphate and nitric acid plant on such a grand scale in Asia was completed. Moreover, the first test run was a success. Output and quality completely conformed with projected demand and it was able to immediately supply the market. "The other wing of China's basic chemical industry was also formed."

Judging from the 20-year history of Yongli, the fact that under the pressure of imperialism, feudalism and bureaucrat-capitalism it had been able to successfully introduce technology, set up a basic chemical industry of an advanced world level producing two kinds of acids, and not only save money but also achieve excellent results was because it had fully carried out investigation and study and made analysis and comparison before making the decision to introduce and build, and because it had capable people with learning and experience in charge and could avoid acting blindly. Technicians played an important role, and Fan Xudong regarded them as the cornerstone of the enterprise. He not only attached importance to recruiting the service of qualified people and bringing their special talents into play, but he also paid attention to their training. Fan Xudong founded the Huanghai Chemical Industry Research Society in 1922 and also engaged Sun Xuewu, a doctor of chemistry who had studied in the United States, to be in charge of this work. Regarding the method of study, Fan Xudong advocated that the study of theory must be combined with practice, research workers must have the opportunity of coming into contact with industry, and research is for the use of industry. He allowed the technicians of Yongli to join the Huanghai Society so that by means of studying theory combined with practice, they not only could solve technical problems of production but could also improve their technical level. In addition, he also selected and sent technicians abroad to study, do fieldwork, take part in design and tackle technical problems. This enabled the technical force of Yongli to quickly grow even stronger. By 1935, when the ammonium sulphate plant was still under construction, Yongli had set up the China Industrial Service Agency with enough manpower to spare for serving industrial construction in the country. Hou Debang's book "Pure Salt Production," which revealed the secrets of the Solvay salt production technology, smashed their long monopoly in the world and caused a sensation throughout the chemical circles of the world, was also published at that time.

In management, Yongli practiced a strict responsibility system which was also highly effective. For example, the general manager not only assumed full responsibility for but also had full authority over the formulation and implementation of the plans of the enterprise. No doubt this is indispensable to the running of a modern enterprise. This will avoid such defects as only paying attention to the formulation of plans but not to the implementation of plans, only implementing plans but taking no part in the formulation of plans, only having authority but no responsibility and only having responsibility but no authority.

II

After the success of setting up the national basic chemical industry, Fan Xudong was actively making plans for the construction of a sulphur plant, a coking plant and a new salt plant when the war of resistance against Japanese aggression broke out. The Japanese invaders greatly coveted the technology of Yongli, and they repeatedly used threats coupled with inducements to coerce Yongli into cooperation with them. Fan Xudong was determined to destroy the plant rather than cooperate with the Japanese. He evacuated all the Yongli technicians to Wutongqiao in Sichuan and made arrangements for setting up a plant there. They found out about the low salinity of bittern in Sichuan and the high price of salt. However, the utilization ratio of salt using the Solvay method, which could only reach 75 percent, was unsuitable to the actual condition of Sichuan. When Hou Debang heard that Germany had discovered a method with the utilization ratio as high as 90 to 95 percent, he and Fan immediately went to Germany with the intention of acquiring the patent.

The insulting terms Germany made were indignantly turned down by Hou and Fan. Hou Debang went from Germany to the United States where he carried out research on a new method of salt production based on his years of experience in that field. He also directed the technicians of Yongli by letters to carry out production experiments until success was achieved. At Fan Xudong's proposal, the entire body of workers in Yongli unanimously agreed to call the newly discovered method of salt production the "Hou method." The Hou method, which combined salt and ammonia production, made full use of the waste water, waste gas and industrial residue of the salt plant and ammonia plant to increase the utilization ratio of salt to above 98 percent. This not only surpassed the Solvay method, but the German method as well. The Hou method of continuous production cycle also solved the problem of large-scale production which the German method could not solve. This method, which raised salt production technology to a new and higher level, was highly esteemed by international chemical circles.

Although Hou Debang had solved the technological problems and also completed the work of designing and purchasing machinery and equipment for the Sichuan plant, when the machinery and equipment were sent back to China, all lines of communications between Sichuan and abroad were cut off by the Japanese invaders, and most of the machinery and equipment fell into enemy hands. Moreover, in carrying out deep well explorations, Yongli had already discovered natural gas and black bittern. At the same time, because the import of steel cable was interrupted, this highly promising excavation was forced to discontinue.

In 1943, for the sake of building a strong chemical industry after the war, Fan Xudong put forward an ambitious plan for the building of 10 chemical plants, but it was not supported by the Kuomintang government. Fan Xudong had no alternative but to go to the United States and raise the money. In the United States he signed an agreement for a \$16 million loan with the Washington Export Bank. However, this loan, which had to be guaranteed by the Bank of China, was obstructed by T.V. Soong. As a result of worry and indignation, Fan Xudong became ill and died in Chongqing. At the memorial service held for Fan Xudong, Comrades Mao Zedong, Zhou Enlai and Wang Ruofei sent condolences and elegiac couplets speaking highly of him. Two years later, under pressure of public opinion, the Kuomintang government instructed the New York branch of the Bank of China to complete the formalities for guaranteeing this loan. After the death of Fan Xudong, Yongli chose Hou Debang to be the general manager.

After the victory of the war of resistance against Japanese aggression, Hou Debang immediately organized the rehabilitation of the workers of Yongli from Sichuan, carried out rush repair on the Yongli salt plant and ammonia plant and resumed production in these plants one after the other. However, at that time, the Kuomintang reactionaries brazenly launched an antipeople civil war. Prices soared and the national industry was seriously affected. The Yongli salt plant and ammonia plant could hardly develop, and the building of the other eight plants was quite out of the question. However, in the technological field, Yongli had initiated the export of technology abroad and developed a way of supplying technological services for other countries. As a result of the reprinting of "Pure Salt Production" and the discovery of the Hou method, Hou Debang enjoyed great prestige in international chemical circles, and foreign enterprises and governments were constantly inviting him to help them solve technological problems and buying from him the patent rights to the Hou method. For example, when the Brazilian Government was preparing to set up its own salt plant, it invited Hou Debang to conduct a survey on its behalf. Hou Debang and engineer Xie Shoujin went there to make an on-the-spot investigation and submitted a detailed report. The Brazilian Government was greatly satisfied, and before Hou's departure, it agreed to invite him to do the design when it decided to build the plant. Although the Tata [1044 1044] Company of India had the service of an expert from England, it could not solve the problems of the low output of its salt plant and the poor quality of its product. Tata was impressed by Hou Debang's reputation, and invited him to have a look. After following the suggestions made by Hou, Tata obtained the initial results right away.

The Tata Company signed an agreement with Yongli to engage Hou as a nonresident chief consulting engineer to visit the plant 1 month each year at a salary of \$20,000 to \$25,000 per annum. At Hou's recommendation, it also borrowed several technicians from Yongli to work at the plant in the capacity of assistant engineer, machinery maintenance engineer and salt production engineer at \$10,000 to \$18,000 a year each. At the request of the Tata Company, Yongli also sold a complete set of blueprints for a plant based on the Hou method to the company at a price of \$110,000 for exclusive use in India. Since the signing of the agreement in 1947, the technicians of Yongli had yearly fulfilled the target of increasing output quantity demanded by Tata as agreed and also improved the quality of its product. In 1949, when the People's Republic was founded, Hou Debang was then working at the Tata salt plant in India. When he heard that Premier Zhou wanted him back for the first CPPCC meeting, he immediately returned to China.

After the liberation, Yongli underwent a socialist transformation and made very great contributions to new China in production and the accumulation of capital. Take accumulation for example. The profit it made in 1955 alone was enough to build a salt plant or half of an ammonia plant. More importantly, it had also trained a number of highly talented people who could respectively shoulder the tasks of production and construction as well as scientific research.

Such great technological achievements obtained by Yongli were the outcome of introducing technology on the basis of digesting the technology adopted by Yongli. If technicians of Yongli such as Hou Debang had not made such great efforts and carried out such thoroughgoing study when introducing the technology of the Solvay method of salt production and the technology of ammonium sulphate, they never could have subsequently discovered the Hou method and exported technology. This demonstrates that in introducing technology and going in for modernization, we must use trained, qualified people as the basis. Only by attaching importance to qualified people and training qualified people capable of mastering modern technology and management in a planned and prepared manner can we successfully introduce technology and go in for modernization.

RENMIN RIBAO REPORTS PLA POLITICAL WORK CONFERENCE

HK011004 Beijing RENMIN RIBAO in Chinese 29 Mar 81 p 1

[Report by RENMIN RIBAO reporter Gu Guopu [7357 0948 3877]: "Ideological Work Must Be Directed Toward Patient Enlightenment and Prevention of Aggravation of Conflicts--Nanjing PLA Units Hold Political Work Conference"]

[Text] The Nanjing PLA units recently held a political work conference. At the meeting the participants paid particular attention to analyzing and discussing questions concerning political and ideological work in the army, such as putting emphasis on "enlightenment" rather than on "prohibition" and preventing the aggravation of conflicts.

During the discussion the participants held that the overwhelming majority of ideological problems which have now cropped up in the army units are problems of understanding. Some people are unable to distinguish right from wrong because they are influenced by erroneous "leftist" ideologies; others just repeat what they have heard because they do not understand the actual situation. Therefore it is necessary to make a concrete analysis of the ideological problems among the masses and deal with each case on its merits. The masses are concerned with the affairs of the party and the state and may wish to voice their opinions and make suggestions in the course of study. This must be affirmed. If their views are not all-round or are incorrect, we should help them acquire a correct understanding by presenting the facts and reasoning things out and discussing the issues with them.

The participating comrades illustrated with their own personal experiences the fact that if the cadres do not trust the fighters, the fighters will become hostile toward the cadres and problems will abound.

They held that in order to improve the interrelationships among people, attention should be paid to the following: First, ideological questions should not be handled in the same way as political questions. Some comrades may have voiced dissenting views in the course of study because they did not quite understand the party's principles and policies at that time. The leadership should properly conduct ideological education among these people and should not criticize them by name or exert pressure on them at every turn. Second, personal problems confronting the fighters should not be solved in the same way as ideological problems. Fighters have to think about personal problems such as what they are going to do after being discharged, their future prospects as well as love and marriage. The leadership should show understanding and care for them and patiently guide them to correctly handle these actual problems and should not regard these as ideological problems. Otherwise these comrades will not speak out even when they are in difficulty and will have no chance of airing their grievances. By-and-by they will become hostile toward the cadres. Third, fighters who dare to think things out for themselves and voice their opinions should not be regarded as disobedient and hence cold shouldered because this will only create manmade conflicts. Fourth, the just demands and personal interests of fighters should not be indiscriminately treated as manifestations of individualism.

In order to keep abreast of the new situation and strengthen ideological and political work, the conference emphasized that leadership at all levels must restore the fine tradition of grasping actual implementation, laying a solid foundation, striving for quality and stressing results as manifested in the early 1960's. Meanwhile conscientious and responsible basic-level cadres should be actively helped and enthusiastically encouraged to boldly do their work well so as to truly fulfill all tasks down to the grassroots levels.

XINHUA CARRIES OBITUARY OF WRITER MAO DUN

OW011532 Beijing XINHUA in English 1502 GMT 1 Apr 81

[Text] Beijing, 1 Apr (XINHUA)--Mao Dun (1896-1981), a forerunner of China's proletarian culture, was a revolutionary writer and a noted public figure.

Mao Dun (Shen Yanbing) was born in the town of Wuzhen in Tongxiang County, Zhejiang Province, on July 4, 1896. He entered Beijing University in 1913 and there he began to come into contact with progressive ideas. Under the influence of the 1917 October Russian Socialist Revolution, he took an active part in the 1919 May fourth movement and in China's early communist movement. In 1920, he formed the "Literary Study Society", together with Zheng Zhenduo, Ye Shengtao and others, to advocate that literature has a social purpose. He took over the editorship of the magazine XIAOSHUO YUEBAO and turned it from an old-type magazine in classical language into one that carried articles in modern Chinese to advocate realism. This exerted a big influence on China's movement for new literature.

Mao Dun joined the Chinese Communist Party in 1921. Toward the end of 1925, during the first period of cooperation between the Kuomintang and the Communist Party, he attended the national congress of the Kuomintang and stayed on to serve as secretary of the Propaganda Department of Kuomintang's Central Committee, with Mao Zedong as the acting head of the department. Following the failure of the first great revolution in 1927, he returned to Shanghai and went underground. He wrote a trilogy under the title "Eclipse". In the summer of 1928, he went to Japan, where he wrote "Rainbow" and other works, and returned to China in 1930. He lost organizationally contact with the party after 1928.

During the 1930s, Mao Dun joined Lu Xun in organizing the left-wing writers league and served as its executive secretary for a time. He waged resolute struggle against Kuomintang's cultural "encirclement and suppression".

This period marked the full maturing of his literary creation and important achievements. The publication of "Midnight" in 1933 was an important hallmark. This was the result of his effort to apply the Marxist viewpoint to society and classes in analyzing Chinese society in the 1930s. "Midnight" has been reprinted more than 20 times and translated into English, French, Russian, Japanese and other languages. His works during this period include "Spring Silkworms" and "Lin Family Shop". These works established his place in China's modern revolutionary literature.

After the outbreak of the war of resistance against Japanese aggression in 1937, Mao Dun did a great deal of work under Zhou Enlai's leadership in uniting progressive cultural figures in Kuomintang-controlled areas for developing a literature of resistance. He was editor-in-chief of the magazine LITERARY FRONT, which gave impetus to the development of this literature. In 1940, Mao Dun visited Yanan, where he lectured at the Lu Xun Academy of Arts. In mid-autumn of 1945, when the war of resistance was coming to a victorious conclusion, Mao Dun finished a play "Around Qingming Festival" about corruption in the city of Chongqing under Kuomintang rule.

After the victory of the resistance war, Mao Dun struggled staunchly in the movement for democracy and against dictatorship, for peace and against a civil war, despite persecution by the Kuomintang. On the eve of the founding of new China in 1949, he arrived in Beijing (Beijing), and took part in the preparatory work of the People's Political Consultative Conference. He attended the first national congress of writers and artists and was elected vice-chairman of the China Federation of Literary and Art Circles. Mao Dun was new China's first minister of culture and held the post till 1964. He was also a Standing Committee member of the first to fourth National Committees of the Chinese People's Political Consultative Conference, and a deputy to the first to fourth National People's Congresses.

In his later years, he stood the test during the decade of turmoil of the Cultural Revolution. After the downfall of the gang of four, he was elected vice-chairman of the fifth National Committee of the CPPCC, and a deputy to the fifth National People's Congress. At the fourth national congress of writers and artists held in November 1979, he was elected honorary chairman of the China Federation of Literary and Art Circles and chairman of the Chinese Writers Association.

In his literary activities spanning more than six decades, Mao Dun wrote many novels, short stories, works on literary theory, translated works by many foreign writers, and paid great attention to the training of young writers. He led a number of Chinese cultural delegations to foreign countries. Mao Dun died on March 27, 1981. He set up a fund for yearly awards for the best novel.

Two weeks before his death, Mao Dun wrote a letter to the Central Committee of the Chinese Communist Party, in which he expressed his confidence in the cause of communism and asked to be recognized posthumously as a member of the Chinese Communist Party. The Central Committee of the Chinese Communist Party passed the decision on March 31 to restore his membership in the CCP and consider him to have been a party member since 1921.

XINHUA ON COOPERATION WITH NONPARTY PERSONAGES

OWO20236 Beijing XINHUA Domestic Service in Chinese 1204 GMT 31 Mar 81

[Report by XINHUA correspondents Li Shangzhi and Luo Changhua]

[Text] Beijing, 31 Mar (XINHUA)--According to statistics there are currently 108 non-party personages holding leading posts at provincial, regional and municipal levels. They include 27 vice provincial governors, vice chairmen of autonomous regional governments and vice mayors of municipalities directly under the central government as well as 1 chairman and 80 vice chairmen of provincial, regional and municipal People's Congresses.

The department supplying the information said this represents the achievement of the various localities in implementing the party policy on cooperating with nonparty personages.

It was learned that these personages include figures of various democratic parties, personages without party affiliations, high-level intellectuals, former industrialists and businessmen, returned Overseas Chinese, upper strata patriots of national minorities and people who crossed over from the KMT side. Under the leadership of the CCP, these personages all have a keen sense of responsibility and have played vital roles in performing various tasks in their respective localities.

Responsible persons concerned said that it has been the party's consistent policy to promote democratic cooperation with nonparty personages and that this cooperation had its roots in the democratic bases during the early years of the war of resistance against Japanese aggression. They further pointed out that democratic cooperation with nonparty personages in the People's Government's organs at all levels have played a vital role in the victory of the Chinese revolution and in the success of China's socialist construction. Our revolutionary practice shows that this policy is entirely correct. During the 10 years of great calamity, this policy suffered damage. After the downfall of the "gang of four," and particularly after the 3d Plenary Session of the 11th CCP Central Committee and the 2d session of the 5th NPC, this policy of cooperating with nonparty personages resumed.

In our current cadre work, strengthening the party-nonparty alliance and giving full play to the nonparty comrades' roles in the four modernizations is an issue that merits great attention. The establishment and resumption of the fine tradition of cooperating with nonparty comrades in jointly managing state affairs is necessary to perfect our socialist democratic system and arouse all positive factors to accelerate the four modernizations.

PLA ENTERPRISES PRODUCE GOODS FOR CIVILIAN USE

OWO20253 Beijing XINHUA Domestic Service in Chinese 0727 GMT 31 Mar 81

[Report by XINHUA reporter Peng Cuiping and XINHUA correspondent Zhang Zhixiang]

[Excerpts] Beijing, 31 Mar (XINHUA)--In implementing the policy of national economic readjustment, enterprises and chemical plants affiliated to the PLA have fully developed their production capacity and tried their best to produce light and textile industrial and other products for civilian use so as to satisfy the market needs and vigorously accumulate funds for the state.

Having ensured the production of military supplies, the enterprises and chemical plants affiliated with the PLA are using available equipment and technology, tapping their production potential and doing their best to produce more than 70 kinds of products for civilian use and for export such as garments, colored cloth, cotton yarn, towels, rubber shoes, sewing machines, lathes, medical equipment, engineering machinery and printing machines. The army enterprises and chemical plants are now producing more products for civilian use, gradually expanding their scope of operation and constantly increasing the varieties. In 1980 the output value of the products for civilian use topped 1979 by 84 percent.

In vigorously producing products for civilian use the army enterprises and chemical plants have improved their styles of operation and raised their technical and managerial standards. Many military supplies plants have constantly monitored the market needs and established contacts with local companies and shops so as to master the market situation at all times, proceed from realities and further develop their respective strongpoints.

BEIJING URGES VIGOR IN INDUSTRY-TRANSPORT TASKS

OW280424 Beijing Domestic Service in Mandarin 2230 GMT 27 Mar 81

[Station commentary: "Rise With Revolutionary Vigor To Expand Industrial Production and Transportation Volume"]

[Text:] All areas, departments and enterprises are now satisfactorily conducting ideological and political work and mobilizing workers to unfold a campaign to boost production, practice economy, increase revenues and cut down expenditures, a campaign that centers around the readjustment and is intended to enhance economic results. Generally speaking, the situation is good. However, the industrial and transportation production quotas this year are quite heavy and arduous efforts must be made to fulfill these quotas.

First of all, light industrial products needed by people both in urban and rural areas and needed for export have to be greatly increased. This is not only an immediate demand but a long-term strategic task. A greatly increased output of light industrial and textile products will help improve the people's livelihood, withdraw large amounts of currency from circulation and maintain market price stability. Some of these products are to be exported to earn the foreign exchange urgently needed by the state. All localities must foster a strong concept of the overall situation and see to it that the state plan for allocating and transferring raw materials for light and textile industries are fully fulfilled so as to meet demands by light and textile industries in such key industrial cities as Shanghai, Tianjin and Beijing.

We have an energy shortage problem, and at the same time we are wasting energy. It is necessary to pay great attention to energy output and conservation, especially to coal production. Recently leading persons at the Ministry of Coal Industry led office cadres to work at coal mines throughout the country. They conducted investigations and helped basic-level units overcome difficulties and fulfill their readjustment and production tasks targeted for this year. This is very necessary.

Heavy and machinery industries must actively support the development of agriculture and light industry. Doing well at readjusting, reorganizing and integrating, they must strive to produce readily marketable products. Railway and other transportation departments must increase their shipping capacity in key zones and sections and expand production.

Since the 3d Plenary Session of the 11th CCP Central Committee, the party and state have adopted a series of policies, measures and methods that have proved efficient and capable of increasing the economic results. This must be firmly continued. New avenues of production have to be opened up and market regulations perfected to stimulate production.

Spring is now everywhere in the motherland. Cadres and workers should rise with greater vigor, go all out, seize the opportune moment and do all they can to expand industrial and transportation production so as to make new contributions toward the national revenue-expenditure balance and economic stability.

GONGREN RIBAO on 28 March carries a commentator's article entitled "Rise With Vigor, Go All Out and Work Hard To Boost Production, Practice Economy, Increase Revenues and Cut Expenditures."

BEIJING RADIO ON PAYING PARTY MEMBERSHIP DUES

OW301319 Beijing Domestic Service in Mandarin 2315 GMT 29 Mar 81

[Question and answer: "What Can Be Considered a Suitable Amount for Party Members To Pay as Membership Dues?"]

[Text] Not long ago, Comrade (Zhu Chuanxian) wrote to us, saying that some party members have differences in their understanding of the regulations on payment of party membership dues. Some hold that it is all right to pay monthly, but the amount to be paid should not be fixed. Some feel that party members should pay membership dues at the fixed amount, and failure to do so shows a lack of a sense of organization. Some think that as the party members in rural areas do not have a fixed income, there should be no fixed party membership dues for them, and that those suffering from family economic difficulties may be exempted from paying dues. The letter asks: Are these suppositions correct? What after all is a suitable amount to pay?

Comrade (Zu Bing) answered the question. He said: Paying membership dues on time is an obligation of members to the party and a concrete manifestation of their concern for the party's cause. By paying dues, Communist Party members not only help the party economically but, more important, enhance their sense of organization and political consciousness.

Regarding payment of membership dues by party members, including probationary party members, the party Central Committee laid down concrete regulations in November 1956. Last year the Organization Department of the party Central Committee reaffirmed these regulations.

First, party members with fixed incomes will pay party membership dues in proportion to their wages. Those whose monthly wage is under 100 yuan will pay 0.5 percent of their wage, those whose monthly wage is between 101 and 200 yuan will pay 1 percent; those whose monthly wage is between 201 and 300 yuan will pay 1.5 percent; those whose monthly wage is between 301 and 500 yuan will pay 2 percent; and those whose monthly wage is over 500 yuan will pay 3 percent of their wage.

After paying membership dues according to their fixed monthly income, party members with fixed monthly incomes need not pay dues on their nonstaple food price subsidies and other temporary incomes, such as allowances, earnings on articles or books written, royalties, bonuses, subsidies, interest on bank deposits and so forth. But those who want to pay may do so.

Party members who are unable to pay membership dues may be exempt from paying with the approval of the party branch committees to which they belong.

Party organizations should educate party members to voluntarily pay dues according to regulations to the party organizations to which they belong, and not to do as they please. Party organizations should make periodical checks on payment of membership dues by party members. Party members who fail to pay dues on time without legitimate reason should be educated and criticized. Party members who have failed to pay dues without reason for 6 months consecutively should be dealt with seriously in accordance with provisions of the party constitution.

BRIEFS

NANNING MACHINERY TRADE FAIR--The Chinese machinery trade fair in Nanning has decided to postpone closure until mid-May. The trade fair opened on 10 March. The fair has so far attracted visitors from the United States, Canada, Australia, Belgium, Italy, Japan, Singapore, the Philippines, Thailand, Hong Kong and Macao. Some visitors had even gone to the machinery plants to view the production process of machinery. According to statistics up to 25 March, a total of \$4 million of contracts have been signed. Most of these contracts were for the manufacturing of bearings, high voltage batteries, plastic machinery, parts, electric fans, electric motors, diesel engines, internal combustion engines and generators. [Nanning Guangxi Regional Service in Mandarin 1130 GMT 26 Mar 81 HK]

FUJIAN PEOPLE'S CONGRESS HEARS ECONOMIC PLAN REPORT

OWO20025 Fuzhou Fujian Provincial Service in Mandarin 1035 GMT 31 Mar 81

[Text] On 30 March Deputy Director (Hu Ping) of the Fujian Provincial Planning Commission made a report on the envisioned arrangements for the 1981 national economic plan to the Third Session of the Fifth Fujian Provincial People's Congress.

(Hu Ping) said in his report that the initial target for total industrial and agricultural output value arranged for our province's national economic plan this year is 12 billion yuan, or 2.7 percent above last year's figure. The output value of agriculture is set at 4.2 billion yuan and that of industry 7.8 billion yuan, both representing some increase as compared to last year.

(Hu Ping) pointed out that, in developing the national economy, it is important to act according to our capability. We must proceed from the actual conditions in Fujian and implement the principle of paying great attention to readjustment, bringing our strongpoints into play and enlivening the economy by making orderly progress step by step.

In developing agriculture, the key lies in our efforts to implement policy, promote various forms of the production responsibility system and take a scientific approach. We should place grain production above everything else and strive to raise this year's grain output to 15.8 billion jin, or more than 300 million jin above last year. We should vigorously promote a diversified economy and strive for an all-round development in agriculture, forestry, animal husbandry, sideline occupations and fishery. With regard to cash crops, we should act according to the local conditions and give scope to our strongpoints. Our efforts in this respect should focus mainly on the production of sugarcane, oil-bearing crops, tobacco, jute, tea and fruits.

(Hu Ping) said in his report that, in developing industrial production, the main approach is to rely on the existing industrial foundation by making active and good efforts to tap the potential of existing enterprises through innovations and renovations. Our attention should be focused on the production of such consumer and export commodities as sugar, cigarettes, wine, canned foods, paper, sewing machines, bicycles, watches and clocks, furniture, electrical household appliances, garments, leather goods, plastic materials, fabrics, television sets and radios. In respect to light industry, it is necessary to continue to give priority to it in six respects [Liu Ge You Xian 0362 0020 0327 0341] to make sure that its growth rate will remain higher than that of heavy industry. The key lies in resolving the raw material problem of light, textile and handicraft industries by adopting the methods of increasing production, practicing economy, promoting cooperation and importing to attain a balanced supply and give priority to these industries. It is also necessary to pay attention to building raw material bases.

The machine building industry needs to readjust orientation of products and services and should serve the technical transformation of industries. Defense and electronic industries should turn in the direction of the market, actively trial produce new products and increase output of consumer goods that are readily marketable. It is necessary to carry out technical transformation and structural reform to save energy in an active and well-planned way, transform backward processes and equipment that consume too much energy and establish and perfect an energy consumption quota management system and an energy conservation reward system. It is necessary to speed up the transformation of the Yingtian-Xiamen Railway and the construction of the (Fengdu) harbor in Xiamen and the Mawei harbor in Fuzhou, so that the tight transportation situation can be eased somewhat.

It is necessary to vigorously consolidate the existing enterprises and readjust the internal structure of industry. Enterprises, whose products are not marketable, with high consumption and poor quality and which operate at heavy losses, and backward enterprises which take away raw materials, fuel, power and transportation from advanced enterprises should be resolutely closed, production stopped for now, merged with other enterprises, or changed to other kinds of production. Some should be closed or have production stopped for new, but the emphasis is on merging and changing to other kinds of production.

All industrial enterprises should improve product quality, increase varieties and raise economic results.

Comrade (Hu Ping) said: The scale of capital construction in our province should be further curtailed. Capital construction investments planned for this year have been reduced by 35 to 66 percent from those in 1980.

He pointed out emphatically: We certainly cannot follow the old road of high speed, high accumulation, low efficiency and low consumption. We must blaze a new trail toward increased economic results and coordinated and steady development.

(Hu Ping) said: Under the guidance of the principle of readjustment, we should continue to implement the party Central Committee's document No 50, put into effect special policies and flexible measures and vigorously develop economic activities with foreign countries. The Xiamen special zone and (Huli) processing zone, which have been approved by the State Council, are now being designed and the first stage of construction will begin early this year. The province and departments concerned will give support in manpower, financial and material resources. It is hoped that all departments will closely cooperate and make contributions to the construction of the special zones.

THIRD SESSION OF JIANGSU PEOPLE'S CONGRESS OPENS

Opening Ceremony, Xu Address

OW011311 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 31 Mar 81

[Report by station reporter (Yangmaosen): "The Third Session of the Fifth Jiangsu Provincial People's Congress Opened Ceremoniously"--portions recorded]

[Text] The Third Session of the Fifth Jiangsu Provincial People's Congress opened ceremoniously this morning at Nanjing's Great Hall of the People. A total of 1,280 deputies were present. The meeting hall, while simply decorated, was filled with a solemn atmosphere. The PRC national emblem was hung at the center of the rostrum, with five dazzling bright red flags on each side.

The executive chairmen for today's session were Xu Jiatun, Zhang Zhongliang, Zhong Guochu, Kuang Yaming, He Binghao, Dai Weiran, Xie Kedong, Ye Xuchao, Liu Shuxun and Liao Yunze.

At 0900 Zhang Zhongliang, executive chairman, announced the opening of the congress.

[Begin Zhang Zhongliang recording] Now the Third Session of the Fifth Jiangsu Provincial People's Congress opens. [applause] [end recording]

Comrade Xu Jiatun, chairman of the provincial People's Congress Standing Committee, delivered the opening speech. Comrade Xu Jiatun said:

[Begin recording] Fellow deputies: The Third Session of the Fifth Jiangsu Provincial People's Congress has opened. This session will proceed from Jiangsu's realities and study and decide on the plans and measures for economic readjustment and political stability. It will be an important meeting for determining the general policy of our province. It will have a major influence on future development of our various undertakings. It is hoped that all deputies will freely air their views and fully reflect the wishes of the people of all walks of life in our province. It is hoped that they will make criticisms and suggestions on the work in various fields, thoroughly study the various motions presented to the congress, summarize the views from all quarters and make correct decisions on the basis of fostering democracy in order to more successfully push forward the work of our province. [end recording]

Comrade Xu Jiatun said:

[Begin recording] The work conference called by the CCP Central Committee last December preliminarily summed up the major experiences and lessons in socialist construction since the founding of the People's Republic, positively analyzed and correctly assessed the development of the current situation and decided on the policy of further economic readjustment and political stability. Party committees and people's governments at all levels have seriously implemented the series of major policy decisions and measures adopted by the party Central Committee and the State Council. With raised ideological awareness and improved work style, they have begun to pay attention to our historical experience and to eliminate the erroneous "leftist" thinking in economic construction. As a result, our work in various fields is now on a more solid basis and more efficient than in the past. [end recording]

Comrade Xu Jiatun concluded:

[Begin recording] Our tasks are numerous and arduous. This requires us to rally even more closely round the CCP, uphold the four fundamental principles, earnestly carry out economic readjustment and fulfill the various tasks of our province. I believe that through your common efforts this session will surely fulfill its goals. I wish the session a complete success! [applause] [end recording]

Following his speech, Governor Hui Yuyu delivered a report on the work of the provincial People's Government to the congress. Governor Hui Yuyu said:

[Begin recording] Fellow deputies: [sentence indistinct] Now on behalf of the provincial People's Government, I deliver the report on the work of the government to the provincial People's Congress for your examination and approval. [end recording]

The work report delivered by Governor Hui Yuyu contains four parts:

1. The main characteristics of the work of our province in 1980 and the current situation.
2. Earnestly and solidly carry out economic readjustment.
3. Strengthen and develop political stability and unity.
4. Strengthen the work of the people's governments at all levels.

Governor Hui Yuyu concluded:

[Begin recording] Let us rally round the CCP Central Committee, arouse ourselves, carry forward the spirit of unity, hardworking and plain living and work hard with one heart and one mind in order to contribute to further economic readjustment and political stability. [applause] [end recording]

Members of the fourth provincial CPPCC Committee attending its fourth session, responsible persons of the various commissions, offices, departments and bureaus under the provincial government, NPC deputies currently in Nanjing and counsellors of the provincial government counsellors office also attended the session as observers.

Governor's Report

OW011430 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 31 Mar 81

[Text] According to a report filed by our reporter (Xiao Yunlong), Governor Hui Yuyu, in his report on the work of the provincial People's Government which he delivered at the Third Session of the Fifth Jiangsu Provincial People's Congress, reviewed seven aspects of Jiangsu's fresh achievements last year in the realms of industry and agriculture and in other fields of endeavor.

He pointed out: The present situation is excellent in Jiangsu. The situation is as follows:

1. In agricultural production Jiangsu won victories in 1980 in its struggle against natural disasters. Last year was the third good year in the production of grain and oil-bearing crops and hogs. The output of cotton reached the average level for the 1970's. The output of aquatic products, silk cocoons and tea hit a record high. New progress was made in afforestation. Enterprises run by communes and brigades played a significant role. Production increases were reported by collectively owned enterprises. Commune members also scored achievements in developing their sideline production. The majority of commune members had surplus grain on hand and they had more money to spend. The situation in Jiangsu's countryside remains stable, and the masses are full of enthusiasm. This is an important sign indicating that a favorable situation now prevails.
2. New progress has been made in the fields of industry, transportation and communications, and capital construction in the course of initial economic readjustment. For industrial production in 1980, Jiangsu emphasized the development of light and textile industries, and the internal structure of the entire industry begun to move toward improved coordination. Jiangsu's total industrial output value rose by 18 percent and its consumption of raw materials and energy dropped by 10.7 percent in 1980 as compared with 1979's figures. In 1980, 28 varieties of products won gold or silver medals from the state; 270 capital construction projects were suspended or postponed, while five capital construction projects were developed on a reduced scale. As a result, the province was able to accelerate the development of some key projects and improve quality in construction.
3. Various tasks have been fulfilled rather well in the field of finance and trade. Jiangsu's revenues rose by 5.4 percent and its expenditures dropped by 7 percent in 1980 as compared to 1979. Revenues and expenditures in 1980 were in balance in various localities with a slight surplus. The total value of commodities purchased and the total volume of retail sales in 1980 rose by 11.5 percent and 20 percent respectively as compared to figures in 1979.
4. Fairly good achievements have been scored in the fields of science, education, culture, public health and sports. The funds earmarked for development of these fields rose by 20.4 percent in 1980 as compared to 1979. New progress has been made in implementing the policy on intellectuals and in selecting competent people.
5. The livelihood of the majority of workers and people in rural and urban areas has improved.
6. Socialist democracy has been brought into play and the socialist legal system strengthened, thus basically stabilizing the social order.
7. New achievements have also been scored in militia work, army-people joint defense, foreign affairs and religious affairs and in work concerning foreign guests, Overseas Chinese and people in minority nationalities.

After reviewing the fresh achievements in all fields of endeavor in the province, Governor Hui Yuyu pointed out: Under the favorable situation, our potential dangers lie in the overextension of capital construction, shortages of raw materials and energy resources, the large increase in the issue of paper money and the serious disproportion between economic and social development. Now we have become sober-minded. We have found the root cause of the trouble, and begun to correct "left" mistakes. We are now full of confidence in overcoming difficulties and in further developing our favorable situation.

JIANGXI RADIO REPORTS ON PEOPLE'S CONGRESS SESSION

OW011155 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 30 Mar 81

[Recorded report on opening of Third Session of Fifth Jiangxi Provincial People's Congress]

[Text] The Third Session of the Fifth Jiangxi Provincial People's Congress solemnly opened at Nanchang's "1 August" auditorium today. One thousand sixty-seven deputies from all walks of life and all parts of the province attended the opening ceremony. Present at the session as observers were all the CPPCC members who are currently attending the third session of the fourth provincial CPPCC Committee.

A year and 3 months have passed since the convocation of the second session of the fifth provincial congress in 1979. For over a year, people throughout the province have carried out the line, principles and policies established since the 3d Plenary Session of the 11th CCP Central Committee, implemented the guidelines set by the Third Session of the Fifth National People's Congress, and put into practice the policy of readjustment, restructuring, consolidation and improvement of the national economy. They have united as one, worked harder than ever before, and scored gratifying results in all fields of endeavor. A favorable situation rarely seen since the founding of the nation now prevails. It is under such favorable conditions that this session's discussion of state affairs is being held. The deputies have expressed their determination to turn this congress into one of unity and democracy and one imbued with revolutionary spirit.

The "1 August" auditorium was newly decorated with all the lights brightly lit. A national emblem was hung at the center of the rostrum, flanked by ten red banners. Baskets of flowers and pots of small pine trees were placed in front of the rostrum. Seated in the front rows were permanent Chairmen of the People's Congress Presidium Yang Shangkui, Liu Junxiu, Luo Mengwen, Zhang Yuqing, Ye Changgeng, Li Fangyuan, Xu Min, Gu Jiguang, and Xie Xianghuang. Also seated in the front rows were responsible comrades of the provincial-level party, government and army organs and the provincial CPPCC organs Jiang Weiqing, Bai Dongcai, Fu Yutian, Fang Zhichun, Di Sheng, (Wu Ping), Wang Zhaorong, Zhao Zhijian, Wang Shizian, (Wang Zemin), (Li Qian), Li Shizhang, Zhang Guozhen, Fang Qian, Liang Kaixuan, Zhang Chuangchu and (Wang Linde); President Liu Bin of the provincial Higher People's Court and Chief Procurator Chen Keguang of the provincial People's Procuratorate; and all the members of the People's Congress Presidium. Others in the front rows were Vice Chairmen of the provincial CPPCC Committee Zhong Ping, Pan Shiyan, He Shikun, Lu Xiaopeng, Shen Hanqing, Zhu Kaiquan and Li Huafeng. Vice Chairmen of the provincial CPPCC Committee Lai Shaoyao, Ni Nanshan and Liu Jianhu, present at the session as observers, also sat in the front rows. Also attending the opening ceremony were responsible persons of the departments concerned at the provincial level and the leading comrades of the standing committees of the people's congresses in various counties, municipalities and municipal districts.

At 0830, Liu Junxiu, vice chairman of the provincial People's Congress, announced the opening of the session.

[Begin recording] Now the Third Session of the Fifth Jiangxi Provincial People's Congress opens. First, please rise for the national anthem. [A band plays the national anthem] Please be seated. Chairman Yang Shangkui will deliver an opening speech. [applause]

[Yang Shangkui] Deputies and comrades: The Third Session of the Fifth Jiangxi Provincial People's Congress has now officially opened. [applause] This session is held at a time when people throughout the country are resolutely implementing the guidelines established by the central work conference, paying full attention to readjustment, stabilizing the national economy and promoting political stability. At present, the Chinese people are triumphantly marching toward their magnificent goal of the four modernizations under the strong leadership of the CCP Central Committee. A favorable political and economic situation rarely seen since the founding of the nation prevails in the country.

Just like other parts of the country, the situation in our province is fine. Since the convocation of the second session of the fifth provincial People's Congress, the people in the whole province have implemented the line, principles and policies formulated since the 3d Plenary Session of the 11th CCP Central Committee, carried out the guidelines established by the Third Session of the Fifth National People's Congress, and put into practice the policy of readjustment, restructuring, consolidation and improvement of the national economy. They have united as one, worked harder than ever before, and scored gratifying results in all fields of endeavor. There has been steady progress in readjusting the national economy. In agriculture, after defeating various natural disasters of all descriptions last year, the people in the province still reaped a reasonable harvest and it was the first bumper year in history. The total output value in agriculture in 1980 rose by 8 percent compared with 1979. Production in the light and textile industries is also rising, and a new situation is taking shape on the finance and trade front. Rural and urban markets are full of activity and there is a reasonable supply of commodities on the market. Prices remain stable. Steady progress has been made in the fields of science and technology, culture and education, public health and sports. A large number of unemployed people have found jobs, and the people's livelihood has improved. The whole province remains stable politically and economically. These facts are obvious to all. However, we must also soberly realize that there are still difficulties on the road ahead and there remain unstable factors.

For many years "leftist" thinking and mistakes have not been thoroughly liquidated, nor have the problems left over from the 10 chaotic years been entirely solved. Moreover, the passive situation in our national economy has not radically changed, and potential dangers still exist. The task before the party is extremely arduous, and vigorous and special efforts should be made to implement the principles, policies and measures of the central authorities.

Deputies, the general task for our party and people in the whole country is to build China into a modern, socialist, highly democratic, civilized and powerful country. To achieve this great goal, the party Central Committee held a work conference last December, putting forward the important principle of making further readjustments in the economy and achieving greater political unity. This principle is the continuation and development of the guidelines set at the 3d Plenary Session of the 11th CCP Central Committee and is the only correct economic and political principle for our country at this time. It fits the actual situation in our province.

The central task of the present session is to firmly grasp the spirit of the work conference of the party Central Committee, eradicate "leftist" mistakes and their influence, earnestly summarize historical experience and carry out the guiding ideology for our task. We must proceed from reality, work within the limits of our capabilities, act in a down-to-earth way and formulate our province's economic readjustment project and various work plans for this year on a sound, reliable basis. We must strive to make this session a real meeting for mobilizing people throughout the province to implement the guidelines of the work conference of the party Central Committee and to smoothly fulfill the various tasks of our province, centered on economic readjustment.

This session is of special significance to our province's economic readjustment and to the development of its political situation of stability and unity. It is a major event in the political life of the people throughout the province and represents a glorious duty and also an arduous task for all the deputies. Taking the Third Session of the Fifth National People's Congress as an example, we must make the current session a meeting of democracy and unity and a meeting to pluck up the revolutionary spirit. We must carry forward democracy, emancipate our minds, freely air our views [words indistinct]. As for major questions on the four modernizations and the items on the session's agenda, we must conscientiously study and discuss them, offer suggestions and dare to make criticism. It is imperative to reflect in the session the opinions, wishes, requests and proposals of the people in the province, fully exercise the power of the people's deputies to manage state affairs as masters of the country and give full scope to the role of the People's Congress as the highest local organ of state power to make the various tasks in our province develop in a healthy and steady way.

I believe that under the direct leadership of the provincial CCP committee and with the common efforts of all the deputies and other comrades attending this session, our cause is bound to be successful, and we will surely achieve our expected goals. I wish the session real success! [applause] [end recording]

Provincial Vice Governor Wang Shixian delivered a report on economic readjustment in 1981. His report consisted of three parts under the following titles: 1) The Current Economic Situation in Our Province; 2) The Economic Readjustment Tasks for This Year; and 3) Further Consolidation and Development of the Political Situation of Stability and Unity and the Resolute Fulfillment of the Various Economic Readjustment Tasks in our Province Under the Party's Leadership.

Then (Wang Zhongfa), director of the Jizngxi Provincial Financial Department, made a report on the 1979-80 final accounts and the 1981 draft budget. His report contained three parts: 1) the 1979-80 final accounts; 2) the 1981 draft budget; and 3) great attention to be paid to increasing production and practicing economy and to boosting revenue and reducing expenditure, achieving greater economic results and working hard to implement this year's financial budget.

In the afternoon separate panel discussions were held by deputies of the provincial People's Congress and members of the provincial CPPCC Committee.

SHANDONG'S BAI RUBING ATTENDS SCIENTIFIC CONGRESS

SK020650 Jinan Shandong Provincial Service in Mandarin 2300 GMT 1 Apr 81

[Excerpt] The second congress of the Jinan Provincial Association for Science and Technology opened ceremoniously in Jinan on the morning of 1 April. Leading comrades of the provincial CCP Committee, the provincial People's Congress Standing Committee, the provincial People's Government, the Jinan PLA units and the provincial CPPCC Committee including Bai Rubing, Zhao Lin, Qin Hezhen, Qiang Xiaochu, Li Zhen, Li Zichao, Wang Jinshan, Zhao Bingan, Long Qian, Xu Jinchun, Wang Zhongying, Xu Leijian, Lin Ping, Zhang Ye, Zheng Zijiu, Wang Zhe and Xu Meisheng attended the opening. Pei Lisheng, vice chairman of the China Association for Science and Technology, made a special trip to Jinan to attend the meeting.

HANGZHOU MEETING STRESSES IDEOPOLITICAL EDUCATION

OW020549 Hangzhou Zhejiang Provincial Service in Mandarin 1100 GMT 31 Mar 81

[Excerpts] In line with the guidelines of the work conference of the party Central Committee, the Education Bureau party committee, Hangzhou Municipality, recently called a meeting of grassroots cadres to study and put forward concrete measures on how to carry out ideopolitical education among primary and middle school students with an accent on the four basic principles and in keeping with the characteristics of the students.

The meeting stressed that at present it is necessary to concentrate efforts on teaching the four basic principles, patriotism and moral character and launching the campaign to promote the "five stresses" [on decorum, courtesy, sanitation, order and morality] and the "four beauties" [of the mind, language, behavior and environment].

The meeting put forward the following measures after discussion:

1. To add a weekly class to study current events and policies with emphasis on the four basic principles and the current situation.
2. To set up a system to guide ideopolitical work among students in the Education Bureau and the schools. In the Education Bureau, the system should be headed by a deputy party committee secretary and a deputy bureau director. In a middle school, this system should be headed by a party branch secretary or by the principal.

3. To strengthen and improve political lessons. The students should be taught to maintain a correct political stand, viewpoint and method of thinking.
4. To make the Education Bureau responsible for compiling and preparing teaching material on moral education and current events.

MEMORIAL SERVICE HELD FOR FORMER ZHEJIANG OFFICIAL

OW300916 Hangzhou Zhejiang Provincial Service in Mandarin 1100 GMT 29 Mar 81

[Excerpts] (Yang Shiyi), former Standing Committee member of the Zhejiang Provincial CCP Committee, vice governor of Zhejiang, vice chairman of the provincial CPPCC Committee and deputy to the first NPC, died of illness on 20 December 1957 at the age of 56. A memorial service for Comrade (Yang Shiyi) was held in Hangzhou on 28 March 1981. Attending the memorial service were responsible persons of the provincial CCP Committee, the provincial People's Congress Standing Committee, the provincial People's Government and the provincial CPPCC Committee Wang Fang, Chang Jingtang, (Li Zhaolong), Zhai Xiwu, Wang Boping, Li Lanyan, Tang Yuanbing, Liu Yifu, He Hexi, Yu Jiye, Zhang Renzhi, Chen Li and He Zhibin.

Messages and letters of condolences were sent by friends of Comrade (Yang Shiyi) including Tan Zhenlin, Su Yu, Feng Wenbin, (Lian Zhiguang), Tan Qilong, Huo Shilian, Zhang Jingfu, Chen Weida, (Li Shizhi), Zhang Lixian, (Su Xiangqian), (Wang Zhihua), Peng Min, Fang Ming, (Pan Jiafu), (Yang Ruyi), Yu Guangmao, (Xiao Pu), (Chen Bing), Su Zhan, He Minxue, (He Mengxue), (Xia Zhongliang), (Zhou Lantian), (Chen Ting), (Chen Yisha) and (Zhu Manlin).

The memorial service was presided over by Zhang Jingtang, deputy secretary of the Zhejiang Provincial CCP Committee. Zhai Xiwu, vice governor of Zhejiang, delivered a memorial speech.

The memorial speech pointed out: When the antirightist struggle was intensified, Comrade (Yang Shiyi) was erroneously labeled as a "rightist" in December 1957. He was rehabilitated with the approval of the CCP Central Committee on 9 June 1979, and his party membership and honor restored.

BRIEFS

JIANGSU HOUSING CONSTRUCTION--According to the provincial Statistics Bureau, investments made by units owned by the people throughout Jiangsu Province in 1980 in such nonproductive fields as housing, culture, education and public health, urban utilities, commercial facilities and welfare institutions accounted for 34.5 percent of the province's total investment. This compares with 9.4 percent in 1976, 14.7 percent in 1977, 17.9 percent in 1978 and 25.1 percent in 1979. The fastest increase was in housing construction; investment in housing construction in the past 4 years was more than the combined investment made in housing projects in the previous 25 years. Total floor space of houses built in these 4 years was 11.78 million square meters. [Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 22 Mar 81 OW]

JIANGSU RURAL CONTRACT SYSTEM--The Jiangsu Provincial Industry and Commerce Administration held a meeting in Changzhou from 16 to 22 March on expansion and management of the rural economic contract system throughout the province. Recently 65 counties and cities have experimented with this system at selected points. Now 23 of them have popularized this system throughout their respective areas. The meeting held that the system should be popularized throughout the province and that management of this system should be strengthened. [Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 22 Mar 81 OW]

JIANGSU LAW, DISCIPLINE CONFERENCE--A provincial law and discipline inspection work conference was held in Nanjing from 16 to 21 March. The conference summarized experience and studied guidelines and documents of relevant conferences held by the Supreme People's Procuratorate. The conference called for strengthening law and discipline inspection and for using the law as a weapon to strike at lawbreakers and criminals. The conference was sponsored by the provincial Higher People's Procuratorate. [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 23 Mar 81 OW]

JIANGXI FINE-QUALITY RICE--Jiangxi has 930,000 mu of fine-seed plots yielding 480 million jin of various fine-quality seeds each year. In 1980 the province had 21.17 million mu of fine-quality early rice, or 87.6 percent of the total early-rice acreage; this included 11.26 million mu planted to hybrid rice, or over 52 percent of the second-stage late-rice acreage. Under similar conditions, the yield from fine-quality seeds is 5-10 percent higher than from ordinary seeds. The per mu yield of hybrid late rice is 100-150 jin higher than that of ordinary-seed late rice. [Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 22 Mar 81 OW]

JIANGXI ECONOMIC CRIMES--People's procuratorates at all levels in Jiangxi Province are actively combating economic crimes. In the past year or so they handled more than 600 economic cases, of which 390 involved economic crimes. The crimes included embezzlement, bribery, dereliction of duty, tax evasion, misappropriation of relief funds, copying of trademarks and unauthorized felling of trees. The criminals were prosecuted and judged by the courts and punished according to the law. [Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 23 Mar 81 OW]

SHANDONG WHEAT FIELD MANAGEMENT--As of 25 March, the province had applied additional chemical fertilizer on 36.53 million mu of land and irrigated 14.05 million mu of land. rainfall and snowfall were scant in the last winter-spring period, and soil moisture has been inadequate. The province has convened all kinds of meetings at all levels to pay attention to wheat field management. Jining Prefecture has taken prompt action this year to handle field management. Over 3 million mu of the prefecture's 4.7 million mu of wheat has been irrigated, and 3.62 million mu has had additional fertilizer applied. Heze and Taian Prefectures, which have over 2 million mu of wheat fields each, have applied additional fertilizer on 60 percent of their wheat fields. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 31 Mar 81 SK]

SHANDONG CHRISTIAN CONGRESS--The third provincial Christian congress was held in Jinan from 19 to 25 March with the participation of 163 Christian representatives from 13 prefectures and municipalities throughout the province. The congress relayed the spirit of the third national Christian conference. Representatives listened to the work report given by the Second Committee of the third provincial Christian Patriotic Campaign, discussed and drew up future work tasks and revised and approved the committee regulations of the third provincial Christian Patriotic Campaign. The congress decided to establish the Shandong Provincial Christian Association and approved the regulations for this association. The Third Committee of the third provincial Christian Patriotic Campaign and the First Committee of the provincial Christian Association were elected at the congress. These committees convened a plenary session on 25 March at which (Wang Shenyin) was elected chairman of the third patriotic campaign; and (Li Lian), (Xu Changtai) and (Zhang Xianren) as vice chairmen. (Wang Shenyin) was also elected as chairman of the provincial Christian Association. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 25 Mar 81 SK]

SHANDONG METALLURGICAL CONFERENCE--The Shandong provincial metallurgical industry work conference was recently held in Jinan to call on the broad masses of cadres, staff members and workers of the provincial metallurgical industrial front to change the leading role of metallurgical industry in industrial production, to learn from the readjustment experiences gained by other industries and to pay attention to the work of tapping latent power, raising product quality, increasing the variety of products and lowering costs. The conference set forth tasks for the industry in 1981 and called on it to do a good job in making way for other industries, rendering service for others and laying a solid foundation for itself. To this end, the conference held that efforts should be made to strengthen ideological education on the party's line among staff and workers, enhance various managerial work among enterprises, vigorously grasp the work of training staff members and workers and vigorously enliven the economy. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 25 Mar 81 SK]

HENAN ENTERPRISES URGED TO TURN IN PROFITS QUICKLY

OW011143 Beijing XINHUA Domestic Service in Chinese 0245 GMT 31 Mar 81

[Reporter Ji Shifa's letter: "It Is Necessary To Pay Great Attention To Delivering Profits to the State"]

[Text] Zhengzhou, 31 Mar (XINHUA)--Covering the Financial Department of Henan Province, this reporter has noted that in yearly terms most enterprises in Henan can fulfill their profit quotas and hand them in to the state but in monthly terms have failed to do so, thereby affecting the turnover of the state's funds.

Statistics show that profitmaking industrial enterprises at and above the provincial level in Henan failed to hand in to the state last year an average of 105 million yuan of profits each month. In the first 2 months of this year, this figure went down to 53 million yuan. However, this is still a substantial sum.

Most of the enterprises in Henan delayed their delivery of profits to the state by more than a month. The reason for their delay is said to be insufficient circulating funds. If profits were turned in monthly, production would be affected. However, it is learned that this is not the case with all enterprises. A cotton textile mill had a 900,000 yuan deposit in the bank in October, 1980 while owing the state 800,000 yuan in profits.

Another reason for the delay in turning in profits is poor management resulting in a prolonged tieup of huge amounts of money. This finds expression in indiscriminate purchasing and stockpiling of materials, improper production arrangements and slipshod manufacture of below-standard products which cause the tieup of large sums of money. Such problems in stockpiling, production and marketing seriously affect the enterprises' economic results. A tire plant of the Chemical Engineering Department wantonly went after output value and blind production, even though its products could barely find a market. By the end of last year, it had 52,000 sets of tires stockpiled in warehouses, tying up over 17 million yuan of funds while owing the state 15 million yuan in profits.

Another important reason is that some enterprises indiscriminately issue bonuses in violation of the state's related regulations, thus increasing the cost and not allowing them to turn in profit quotas in full. A 36-man cement preparatory plant with a total payroll of 19,428 yuan for the whole year, issued 19,191 yuan in subsidies and bonuses, averaging 530 yuan per man.

It is an urgent matter for enterprises in Henan to solve the problem of overdue payment of profits to the state. Comrades of the financial department hope that comrades in enterprises take positive steps to deliver their monthly profits to the state and turn in their overdue profits as soon as possible.

HUNAN OFFICIAL ON CAPITAL CONSTRUCTION READJUSTMENT

OW020446 Changsha Hunan Provincial Service in Mandarin 2315 GMT 31 Mar 81

[Text] Reporting on Hunan Province's 1981 national economic readjustment at the eighth session of the fifth provincial People's Congress Standing Committee on 31 March, Cao Wenju, vice provincial governor, emphasized: A centralized management of capital construction projects will be carried out this year. All construction funds, regardless of their sources, should be cleared through the planning commissions at all levels to achieve overall balance and should be incorporated into a unified capital construction plan. No bureaus, departments or units are allowed to breach the plan.

Cao Wenju said: Some comrades still fail to see the necessity and importance of the national economic readjustment and the danger underlying the excellent situation. Some of them have proceeded only from the interests of their own localities and departments and failed to readjust projects that need to be readjusted, curb the capital construction scale or stop repetitious construction and disorderly distribution of projects.

He urged party committees and people's governments at all levels to strengthen ideological and political work, conduct propaganda on adhering to the four basic principles and teach the cadres and masses to earnestly eliminate the influence of the "leftist" ideas, take the overall situation into account, work with one heart and soul and fight in unity to ensure the fulfillment of the tasks of the national economic readjustment in 1981.

BRIEFS

GUANGDONG ELECTRICITY CONFERENCE--Recently, the Guangdong economic committee and the Guangdong Electricity Bureau jointly held a conference of the key enterprises. The participants urged the various units to use electricity in a planned and thrifty way and revealed that electricity generation in January and February 1981 increased by 13 percent over the corresponding period of 1980. This surpassed the plans by 1.3 million kilowatt-hours. By 6 March, the level of 2.8 million kilowatt-hours had already been surpassed. During the present spring farming season, however, it is necessary to increase electricity generation by 3 million kilowatt-hours for irrigating the farmland and transplanting the seedlings. [Guangzhou Guangdong Provincial Service in Mandarin 2345 GMT 19 Mar 81 HK]

GUANGDONG CHEMICAL FERTILIZER--By early March, the people in Guangdong had produced 116,900 tons of chemical fertilizer, an increase of 22.5 percent over the corresponding period of last year. This included 88,400 tons of nitrogen fertilizer, an increase of 18 percent. At present, the chemical fertilizer plants in various areas are continuously delivering chemical fertilizer to the front line of agriculture. Early in the fourth quarter of 1980, the chemical fertilizer plants had started to check up and repair their equipment. In the first quarter of 1981, supply of fuel and power, particularly electricity, was in greater demand. As a result, the province had closed 10 small nitrogenous fertilizer plants which had higher input consumption and losses. [Guangzhou Guangdong Provincial Service in Mandarin 1120 GMT 20 Mar 81 HK]

GUANGXI-HUNAN TV LINE--With the help of the departments concerned, a special microwave television line was recently set up between Guilin Municipality and Changsha Municipality in Hunan Province. The setting up of the new television line has provided reliable color television viewing to the southern and western parts of Hunan and the northern Guangxi region. The new line is 597 kilometers long. [Nanning Guangxi Regional Service in Mandarin 1130 GMT 18 Mar 81 HK]

HUBEI GRAIN, RAPESEED--This year, Hubei Province's 27 million mu of summer grain crops are growing well because of good field management in the winter. At the end of February, the 4.7 million mu of wheat in Xiangyang Prefecture had been topdressed. This year, the province sowed rape on 4.59 million mu, topping 1980 by 1.22 million mu. Jingzhou Prefecture has sown rape on 890,000 mu, as against 420,000 mu last year. Guangji, Qichun, Jingmen, Xiaogan and Huangpi Counties each have more than 100,000 mu of rape. There is a good prospect of a bumper rapeseed harvest this year. [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 22 Mar 81 OW]

HEBEI RIBAO: HANDLE PROBLEMS LEFT BY HISTORY

HK010909 Shijiazhuang HEBEI RIBAO in Chinese 14 Mar 81 p 1

[Commentator's article: "We Must Correctly View Problems Left Over From History"]

[Text] A great strategic decision was made at the 3d Plenary Session of the 11th CCP Central Committee. It was decided that we should shift the focus of work of the whole party to the accomplishment of the four modernizations. Evidence in the past 2 years has proved: In order to genuinely realize the shift of work focus, we must do a good job in all aspects. Correctly viewing and solving problems left over from history is one of the important aspects. At present, some localities and units have not completely shifted their work focus. One of the important reasons is that we are still bound by problems left over from history. Therefore, correct treatment and handling of problems left over from history has significant practical meaning.

The problems left over from history are mainly "leftist" mistakes, in particular the serious sabotage by Lin Biao and the "gang of four." We must now seriously seek ways to solve these problems. Since 1957, we have wrongly criticized many good cadres during numerous political movements, in particular during the "Great Cultural Revolution" which resulted in a large number of unjust, false and wrong cases and brought great suffering to our party and our people. These political movements also confused the thinking of many comrades. Since the 3d Plenary Session of the 11th CCP Central Committee, based on the principle proposed by Comrade Mao Zedong that we must seek truth from facts and be conscientious in correcting our mistakes, we have decided to redress the unjust, false and wrong cases and have stipulated the policy that we should be "bold and resolute" in solving problems left over from history. In the past 2 years, party organizations at all levels have grasped the work of redressing the unjust, false and wrong cases, implemented the party's policies on cadres, intellectuals and other personnel work, and scored significant achievements. Evidence has shown that despite the locality or unit, if we act according to the policy of the CCP Central Committee and seriously solve problems left over from history, we will enjoy a lively political situation and a prosperous economy. In view of this, it is erroneous that we adopt an antagonistic, stubborn and procrastinating attitude when dealing with problems left over from history. Party organizations at all levels must adopt a sympathetic and positive attitude, act according to the party's principle and policy, seek truth from facts and impartially solve problems left over from history. This is one aspect of the problem.

There is another aspect which deserves our attention. We must not quibble over side issues after we have drawn clear distinctions concerning cardinal issues of right and wrong. Judging from the situation in our province, most cadres and the masses, including a large number of comrades who have been unjustly and wrongly treated during various movements, are able to face the question with the correct attitude. They uphold the policy that we should be united as one, work together for a better future, give priority to the party and the people's interests, and that we must not allow ourselves to be swayed by personal feelings or give a thought to personal gain or loss. Now that the policy has been implemented, after comrades are rehabilitated, they should boost their spirits and devote themselves to the revolutionary cause. They should take the initiative to make friends with comrades who attacked them during the various movements, including people who did them an injustice, and try to cooperate with them. Their spirit of attaching great importance to the overall situation and their proletarian breadth of vision will certainly be fervently praised by the party, the cadres and the masses. However, there are other problems left to be solved. Some comrades are narrowminded; they brood over the injustice done to them and want to get even with people who did them wrong, to vie with them and to see who is better and who is on the right side. Individual comrades make the excuse of implementing the party policy and make many irrational demands and will not give up if their aims are not attained. Although these are individual cases, they seriously disperse the energies of the leaders, fritter away the people's revolutionary will and have a bad influence on the feelings of the masses. We must handle them seriously.

We must notice that since 1957, all political movements in our country have been motivated by the party or in the name of the party. During "the Great Cultural Revolution," the Lin Biao and Jiang Qing counterrevolutionary cliques made use of our party's "leftist" mistakes and pushed them to the extreme. They raised the red banner only to fight against it, made use of the names of Chairman Mao and the CCP Central Committee and schemed to usurp power. The situation was very puzzling indeed. Moreover, quite a number of our party members, cadres and the masses were involved in the movements under the discipline of the party Central Committee. They did make some mistakes, but very often mistakes were made under the orders of their superiors, not out of their own wishes. In the face of the complicated situation, we must analyze these things from a historical viewpoint and in a thorough manner. It is very unfair if we stubbornly investigate and affix individual responsibilities; moreover, the people will not be convinced. Hence, in solving problems left over from history, we must not go into great detail once we have drawn clear distinctions concerning cardinal issues of right and wrong. If we persist in squaring accounts with them, what will be the consequences? This will only do great harm to and aggravate the rift between the cadres, the party members and the masses and prolong the sufferings of our nation. The correct attitude is that we should seriously implement a clear-cut, broadminded, stable and flexible policy, attach importance to distinguishing right from wrong in the choice of our line instead of investigating and affixing individual responsibilities. In particular, we must not blame comrades who committed mistakes on the orders of their superiors. In treating comrades who make serious mistakes, as long as they are willing to correct their mistakes, we must adopt the policy of learning from past mistakes to avoid future ones and cure the sickness to save the patient. We must attach importance to ideological education and seriously help them summarize experiences. Nevertheless, we must seriously handle criminals who commit murders or acts of class revenge, or who hold grudges against others and retaliate in order to redress the grievances of the people. To people who are involved in beating, smashing and looting, who refuse to mend their ways despite repeated admonition, who were followers of Lin Biao and the "gang of four," who are aggressive and have a bad character, and who frame innocent people, we must investigate and affix individual responsibilities. In dealing with these people, we must act according to the party's policy and the proper legal procedures after we have made a thorough investigation.

As early as 1944, Comrade Mao Zedong proposed that in handling historical problems, "we must not attach importance to affixing the responsibility to individual comrades. Instead, we should attach importance to analyzing the situation at that time, study the substance and the social, historical and ideological roots of the mistakes, practice the policy of learning from past mistakes to avoid future ones and cure the sickness to save the patient." Under the guidance of this policy, we have succeeded in solving problems left over from history. On the basis of drawing clear distinctions concerning cardinal issues of right and wrong, we have summed up experiences, written the important document "Resolutions on Several Historical Problems" and united the understanding of the whole party which resulted in unprecedented political and ideological unity in the party. This ensured the victory during the war of resistance against Japan and the war of liberation. Today, we are confronting a similar situation. We must draw on the experience of past practices and do a good job in solving problems left over from history so that the cadres and the masses will dispel their misunderstandings, unite and enhance their understanding of ideology, theories and policy as well as their spontaneity in implementing the line, principles and policies stipulated since the 3d Plenary Session of the 11th CCP Central Committee.

We must uphold the attitude of seeking truth from facts so as to correctly sum up historical experiences. During the first 10 to 20 years after the liberation, we were living under "leftist" guiding ideology and were affected by "leftism" to varying degrees. The extent of the pernicious influence of the "leftists" among our cadres today is only a matter of degree and a question of awareness of this influence sooner or later. It is not a question of whether or not the pernicious influence exists among them. It is clear that we are very wrong if we criticize the "leftist" practice of our superiors and disregard our own "leftist" practice when dealing with historical questions. We must stop using "leftist" viewpoints and methods when we deal with others.

The most important sign of the so-called seeking truth from facts attitude is that we should respect facts. We should face the questions squarely, without exaggerating or belittling them; we must avoid criticisms based on the limitless plane of principle and must not indiscriminately put labels on others. Everybody must be responsible for his own mistakes and must not get others involved be they secretaries, bodyguards, wives or children. In the course of solving problems left over from history, we must be strict with ourselves and be broadminded towards others. Instead of finding faults with others, we must be aware of our own mistakes, take the initiative to sort out our ideology, make more self-criticisms, understand each other and do a good job in promoting unity. If we do not do this, but instead persist in the "leftist" practices of the "Great Cultural Revolution," we will not be able to rid ourselves of the old hangups. Furthermore, we will create some new misunderstandings, and there will be no end to trouble for the future.

Comrades who are dedicated to the revolutionary cause must devote major efforts to the current work, seriously implement the important principles of the CCP Central Committee, further readjust our economy, stabilize the political situation and promote the current good situation which has seldom existed in our country. This is the overall situation, the major issue of principle and the most important political task of our party. If we still get entangled in historical problems and do not grasp stability and unity and the readjustment of the national economy, we will end up making more mistakes. Likewise, if we involve ourselves in misunderstandings among the comrades and quarrels over trivialities, the masses will remain unconvinced even though we have very sound reasons to support us. It is something of minor importance if an individual makes mistakes. However, it is something serious if we infringe upon the interests of the party and the people. Thus, we must attach great importance to it.

"The waters flowing eastward will not be stopped by the green mountains," and nobody can stop the trend of the times. Let us thoroughly throw off the yoke of problems left over from history, dispel ideological misunderstandings, boost our spirits, be full of confidence and work very hard to do a good job in promoting the stability and unity of our country and readjusting the national economy.

BRIEFS

BEIJING OVERSEAS CHINESE MEETING--In order to create jobs for the children of returned Overseas Chinese in the capital, the Federation of Overseas Chinese in Beijing Municipality is preparing to establish a collective corporation funded by Overseas Chinese capital. This was announced at the second meeting of the seventh committee of the federation held on 24 March. Members of the committee attending the meeting expressed their satisfaction with the work of the federation in the past year. Many committee members made constructive proposals on strengthening ideological education among the dependents of returned Overseas Chinese, on building socialist spiritual civilization and on establishing Overseas Chinese-funded corporations to create jobs for Overseas Chinese dependents. [Beijing in Mandarin to Southeast Asia 0900 GMT 25 Mar 81 OW]

BEIJING QUAIL RAISING--Beijing, 26 Mar (XINHUA)--The first products from Beijing Municipality's new brood quail farm--meat and eggs--have had an overwhelmingly good reception in the capital, a spokesman for the farm said today. The farm, on part of a municipal chicken farm in Changping County, in the northern suburbs, was built last year and went into operation in January. So far it has sold 10,000 eggs and 1,000 table birds. The farm, the first in China, can hold 80,000 birds at one time and contains incubators, nursery coops and pens for pullet hens. The city authorities estimate it will supply 9 million eggs for eating annually, plus 80,000 brood quails and 310,000 fertilized eggs. It is expected to have a capacity stock by October this year. [Beijing XINHUA in English 1240 GMT 26 Mar 81 OW]

BEIJING CLOTHING SUPPLIES--Beijing, 26 Mar (XINHUA)--Beijing will have its best-ever supply of summer clothes this year, according to the Beijing Municipal Garment Company. An official said the company had made 18.2 million garments, including a big increase in silk and terylene shirts and children's white poplin shirts which were in heavy demand last year. In addition, the company is purchasing 150,000 summer shirts with distinctive regional styles from the provinces of Jiangsu and Shangdong, and the cities of Wuxi, Hangzhou and Ningbo. The Ministry of Commerce, the Textile Industry Ministry and the garment company will organize several sales exhibitions in Beijing later this year. About 20 million yuan (RMB) of knitwear and other garments will be on display and sale from 13 provinces and cities. The Ministry of Light Industry will also organize sales exhibitions in Beijing's eight department stores. The 700,000 garments on sale will come from 8 provinces and cities. [Beijing XINHUA in English 1246 GMT 26 Mar 81 OW]

NEI MONGGOL DROUGHT--Leading persons of Ulanqab League in Nei Monggol on 19 March briefed leaders of the Nei Monggol regional government and regional committees, offices and bureaus on how the league combated serious drought to prepare for spring farming and protect animals. After listening to the briefing, Hao Xiushan, vice chairman of the regional government, spoke. He urged the people to adopt every possible means to ensure spring farming. He also urged all localities to make proper arrangements for the livelihood of peasants and herdsmen and all trades and professions to support spring farming and animal husbandry. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 22 Mar 81 SK]

NEI MONGGOL AFFORESTATION--Ulanqab League, Nei Monggol, recently held a forestry conference, urging people to plant trees and forage grass. This league afforested 996,000 mu of land in 1980 overfulfilling the state plan by 60 percent. It cultivated 97,000 mu of saplings and planted 20 million trees around houses and along rivers, roads and ditches in 1980. Liangcheng, Shangdu, Qingshuihe and Horing Counties alone afforested over 100,000 mu of land. The conference urged efforts to handle arbitrary tree-felling cases and punish violators. State forest farms and commune and brigade-run nursery plots should cultivate more fine strain saplings to support the 1981 afforestation campaign. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 23 Mar 81 SK]

NEI MONGGOL GOLD MINE--(Xinpan) commune in Qahar Youyi Zhong Banner, Nei Monggol, organized people to mine gold. This commune produced 15,730 liang of placer gold from 1970 to 1980. The output value totalled 3,493,200 yuan. During this period, (Xinpan) commune paid some 300,000 yuan of taxes and managerial funds and accumulated more than 2.5 million yuan for its members. The 1980 gold mining capacity was 4,500 liang. The commune members' income from gold mining was 12 times more than it was from farming. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 23 Mar 81 SK]

TIANJIN MEDIATION COMMITTEES--Tianjin, 20 Mar (XINHUA)--Many civil disputes in Tianjin Municipality, Hebei Province, have been solved by basic-level mediation committees. According to statistics, more than 72,800 cases were handled by mediation committees in urban and suburban areas of Tianjin, 6.5 times the cases handled by basic-level people's courts. At present, there are 5,081 mediation committees in the city with 24,760 mediators. [Beijing XINHUA Domestic Service in Chinese 0043 GMT 24 Mar 81 OW]

TIANJIN SCIENTIFIC CONGRESS--The second congress of the Tianjin Scientific and Technological Association was held on the morning of 27 March. Attending the congress were responsible comrades of the Tianjin CCP Committee, the Tianjin People's Congress Standing Committee, the Tianjin People's Government and the Tianjin CPPCC Committee, including Huang Zhigang, Yan Dakai, Zhang Huaisan, Wu Zhen, Li Zhongyuan, Zhao Jun, Yu Fujing, Lu Da and Zhu Ziqiang. Also attending were leading comrades of the Tianjin Trade Union Council, CYL Committee, women's federation and the Federation of Literary and Art workers. Pei Lisheng, vice chairman of the China Association for Science and Technology, was also on hand. Zhao Jinsheng, vice chairman of the Tianjin Scientific and Technological Association, presided over the congress. Zhang Huaisan, secretary of the Tianjin CCP Committee, made a report urging various scientific organizations to offer scientific suggestions on economic readjustment, to vigorously train and foster scientific and technical personnel and to launch international scientific and technological activities. [Tianjin City Service in Mandarin 1430 GMT 27 Mar 81 SK]

LIAONING HOLDS COAL WORK CONFERENCE 23-30 MAR

Secretary on Energy Situation

SK020539 Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 1 Apr 81

[Text] On 28 March at the provincial coal work conference, Comrade Shen Yue, secretary of the Liaoning Provincial CCP Committee, spoke on the province's energy situation. He said: A serious energy shortage has become a prominent contradiction in Liaoning's efforts to develop its economy. The provincial CCP Committee holds that in order to alleviate this contradiction we should accelerate the readjustment and development of coal mines while making great efforts to save energy. We should not cherish the hope of importing too much coal from other provinces, but should base ourselves on increasing production, practicing economy and developing coal mines.

Comrade Shen Yue said: The provincial CCP Committee urges Liaoning's coal workers to fulfill the following tasks:

1. Give first priority to readjustment and accelerate the readjustment of coal mines. Coal workers should carry out the readjustment in a comprehensive manner with the emphasis on eliminating any hidden dangers for production safety and making up for the tunneling and stripping work that should have been done. They should strive to complete the readjustment tasks in 3 years; that is, by the end of 1983. They should fulfill and strive to overfulfill the readjustment tasks for this year.
2. Strive to fulfill this year's production tasks and to produce more coal on the condition that the readjustment tasks are carried out successfully.
3. Try their best to utilize the province's resources to accelerate the development of coal mines.
4. Promote the development of local coal mines.

Conference Results

SK020326 Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 30 Mar 81

[Text] The Liaoning provincial coal work conference concluded today in Fuxin Municipality. The conference set forth a 32.2 million ton raw coal production target for the province for this year. Of this amount, 28 million tons are assigned to collieries whose products are distributed under the unified state plan.

The conference opened 23 March. Attending and speaking at the conference were Gao Yangwen, minister, and (Qu Zailian), vice minister, of the Coal Ministry, and Shen Yue, secretary of the Liaoning Provincial CCP Committee. Also attending were comrades from coal mining administrative bureaus, collieries and departments concerned throughout the province. The purpose of this conference was to discuss implementation of the guidelines of the CCP Central Committee's work conference and the tasks of the national coal work conference. It was a key conference marking a turning point in the history of the development of Liaoning's coal industry.

The conference called for efforts to carry out readjustment and production simultaneously while focusing on the former, accelerate readjustment and construction, eliminate the influence of the leftist ideology, inspire revolutionary enthusiasm and encourage the broad masses of staff members and workers on the province's coal front to make new contributions in the year of national economic readjustment.

The conference participants noted: The situation in the province's coal work is good. We must not forget for a single moment the contributions made by the 300,000 staff members and workers on the coal front, who for many years have worked diligently to overcome numerous difficulties in an effort to produce more coal. Our current major difficulties and problems are serious imbalances in the structure of the coal industry caused by leftist interference and influence and a grave energy shortage. Therefore, we must take readjustment as a matter of strategic importance and correct the imbalances once and for all. We must also strive to overfulfill our coal production tasks on the foundation of fulfilling our readjustment tasks.

The Fuxin Coal Mining Administrative Bureau and 17 other units introduced their experiences at the conference.

BRIEFS

HEILONGJIANG DROUGHT FORUM--The Heilongjiang Provincial Water Conservancy Bureau recently held a forum in Qiqihar Municipality to discuss ways to combat the spring drought to ensure spring sowing in western Heilongjiang. Comrade Wang Luming, deputy secretary of the provincial CCP Committee and deputy governor of the province, addressed the forum. It was disclosed that the spring drought encompasses many areas. According to weather forecasts, any protracted rainfall will come late. Therefore, the forum called on various localities in western Heilongjiang to give full scope to the role of water conservancy in carrying out the sowing operation. To this end the forum put forward the following principles: 1) It is necessary to adopt measures suitable to local conditions to integrate the utilization of water conservancy with the arrangement of sowing operation. 2) It is necessary to integrate the temporary measures for combating drought with the expansion of irrigated acreage. [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 24 Mar 81 SK]

LIAONING-SHENYANG CCP SESSION--The Sixth Shenyang Municipal CCP Committee, Liaoning Province, held its fourth enlarged session from 18 to 22 March to earnestly summarize experiences and expose the leftist ideological influence in an effort to pave a new economic way along with readjustment. The session worked out the following tasks for this year: 1) to vigorously grasp the readjustment work, especially carrying out readjustment in the industrial structure; 2) to continuously break down barriers among various industries and trades to carry out joint ventures, integrated operation and extensive coordination among specialized departments in line with their ownership; 3) to give full scope to the regulatory role of markets; 4) to vigorously raise enterprise management. In addition, the session also made arrangements for the 1981 work of urban construction; enlivening markets; stabilizing commodity prices; conducting activities of science and technology, culture and education and public health; safeguarding public security; and carrying out the party's ideological and political education. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 24 Mar 81 SK]

LIAONING WORKERS' EDUCATION--Beijing, 26 Mar (XINHUA)--The port city of Dalian in Liaoning Province has 450,000 workers studying at spare-time schools in 90 percent of the city's factories and enterprises, XINHUA learned from the national meeting on workers' training currently going on in Beijing. This number of workers accounts for 48 percent of the city's entire labor force. The workers are enrolled in workers' technical schools, workers' colleges, spare-time colleges, correspondence colleges and television courses. Full-time universities and colleges and local culture centers and libraries in Dalian are taking an active role in the workers' training program. Among the enrollees, 70 percent are young workers under the age of 35, about 100,000 of whom attend full-time or part-time courses. College diplomas will be awarded to those who pass the graduation examination. The city's federation of trade unions has earmarked more than 2 million yuan for building a 10,000 square meter workers' education center, which is now under preparation. [Text] [Beijing XINHUA in English 0715 GMT 26 Mar 81 OW]

CHIANG CHING-KUO REELECTED KUOMINTANG CHAIRMAN

OWO21005 Taipei CNA in English 0942 GMT 2 Apr 81

[Text] Taipei, 2 Apr (CNA)--The ruling Kuomintang Thursday reelected President Chiang Ching-kuo as its chairman with a standing ovation.

Chiang's reelection was proposed by the presidium of the party's 12th national congress now in its fifth day of conference in the ornate Chungshan building at Yangmingshan. In recommending the president for continued leadership of the Kuomintang, the presidium cited a long list of his achievements since he was elected to the party chairmanship on November 15, 1976. Chiang's leadership has enabled the Republic of China to overcome its diplomatic adversities and led the nation to economic prosperity and a high state of military preparedness, the presidium noted.

Besides, the presidium continued, Chiang's leadership has won not only the support of the people in free China and the overseas communities but also the recognition of the Chinese people of the mainland. The accomplishments of the Republic of China under Chiang's leadership "has paved the way for the eventual reunification of China under democracy," declared the presidium. At this crucial hour of the Chinese history, it added, the Kuomintang "needs the continued leadership of Mr Chiang Ching-kuo to greet the victorious 70's of the Republic of China."

The presidium's recommendation, formally made at the sixth session of the party congress, was unanimously approved.

C.K. Yen, former president of the republic, presided over the morning session. President Chiang was not present at the scene.

Immediately after his reelection, the presidium and the Kuomintang advisory committee of party elders presented the party chairman with the certificate of election on the second floor of the building. Upon receiving the certificate, Chiang made a humble acceptance statement in which he belittled his own performance. He said he accepted the party's draft only because of the difficult situation of the country and the party. While pledging that he would do his utmost to live up to the expectation of the party, Chiang called on party members to foster brotherhood and greater harmony and unity for the sacred task of national recovery.

FINANCE MINISTER REPORTS TO LEGISLATIVE YUAN

OWO10255 Taipei CNA in English 0233 GMT 1 Apr 81

[Text] Taipei, 1 Apr (CNA)--The annual surplus for the central government's general final account reaches NT dollars 16,875 million for fiscal 1980, the 17th consecutive year in surplus since 1964, reflecting the sound financial condition of the central government, Chang Tao-min, minister of audit, said Monday.

Chang made the remarks at the legislative yuan (parliament) meeting. He pointed out that the central government's general final account for fiscal 1980 was set as NT dollars 218,668 million in revenue and NT dollars 201,792 million in expenditure.

The final annual revenue is higher than the budgeted annual revenue by NT dollars 14,150 million, while the final annual expenditure is lower than the budgeted expenditure by NT dollars 2,725 million, making the annual surplus at NT dollars 16,875 million. The surplus will be helpful to the stability of finance and price as well as the steady growth of the economy, Chang stressed. He added the government is in a good position to repay its foreign loans and to give guarantee to foreign loans. According to statistics, up to the end of June 1980, there is still an outstanding foreign debt of U.S. dollars 3,435 million, far below the U.S. dollars 6,500 million foreign exchange reserves of the nation.

NETHERLANDS DELEGATION TO VISIT IN JUNE OR JULY

OW011001 Taipei International Service in English 0100 GMT 1 Apr 81

[Text] H.K. Shao, director general of the Board of Foreign Trade, said Tuesday that a trade group composed of Netherlands industrial and business leaders is expected to visit Taiwan in June or July to try to improve trade relations between the two countries.

Shao, who led a special purchasing mission to the Netherlands for a 10-day shopping trip before returning to Taipei, said that a total of 30 Netherlands manufacturers will participate in the European product exhibition to be held from 4 to 10 May in Taipei. Among the 30 manufacturers, perhaps the best known is the RSV [Rijn-Schelde-Verolme], which has signed a contract with the Republic of China to build two submarines.

During its trip to the West European countries, the Chinese special purchasing mission bought more than \$100 million worth of machinery equipment, industrial materials, dairy products and technical services from 20 Netherlands companies.

Shao said the sending of a buying mission to the Netherlands demonstrates that the nation is sincere about increasing its import of European products. He added that the move would be only the first of many similar missions. He said that the ROC will continue to beef up its purchases of sophisticated machinery and technical know-how from Europe.

SWISS PARLIAMENTARY DELEGATION DISCUSSES TRADE

OW020313 Taipei CNA in English 0232 GMT 2 Apr 81

[Text] Taipei, 2 Apr (CNA)--The visiting Swiss parliamentarian Franco Matossi said Wednesday that its positive ways to expand foreign trade will further stimulate the two-way trade with Switzerland.

The main purpose of the Swiss lawmaker's visit here is to study the feasibilities of further promoting trade relations between the two nations, Matossi pointed out. In the process of full-scale industrialization, the Republic of China will certainly need foreign technical know-how, he said, adding that his country is willing to provide technological data and industrial products to the Republic of China. He said that because of the comparatively lower cost of labor here, Taiwan may become an ideal processing place for the Swiss industrial products in the future.

Currently, Switzerland has not yet established any trade office in the Republic of China as many other European countries do. To set up a trade office in Taiwan, he said, "is a very important step to further promote the bilateral trade ties."

Accompanied by another lawmaker Dr Paul Wyss, he will depart April 6.

PREMIER RECEIVES PRESS LEADERS FROM PERU

OW281352 Taipei CNA in English 1336 GMT 28 Mar 81

[Text] Taipei, 29 Mar (CNA)--Premier Sun Yun-hsuan Saturday told the visiting Peruvian press leaders that the Republic of China would like to see a continuously improving relationship with Peru. The premier said that the strengthening of economic, technological and cultural contacts, which are mutually beneficial would lead to closer relations between the peoples of the two countries.

The premier Saturday received the five Peruvian press executives who arrived March 23 for a week long visit. They are Arturo Salazar, president of LA PRENSA; Mario Castro, president of CORREO, Luis Garcia, general manager of EL COMERCIAL, Quido Chirinos, president of ULTIMO HORA Evening News and Carlos Paz, programs director of a private TV network based in Lima.

The Peruvian guest said the ROC, with its miraculous economic growth in the past decades, has set an example for the developing nations including Peru. They are scheduled to leave for home Sunday.

HSIN WAN PAO COMMENTS ON FORD'S VISIT TO PRC

HK011134 Hong Kong HSIN WAN PAO in Chinese 27 Mar 81 p 4

[Special dispatch: "On Ford's Visit to the PRC"]

[Text] Beijing, 27 Mar--Former U.S. President Gerald Ford ended his visit to Beijing and departed for Tokyo on 27 March.

Ford's visit to China represented a development in Sino-American relations, and people who are concerned about Sino-American relations are pleased with this visit. However, what was Ford's real reason for making this visit to China? Was it merely to foster relations with China? The press is more interested in this than in a superficial evaluation of Ford's visit to China.

According to a New York TIMES report, in visiting China on behalf of the Reagan administration, Ford was to test how far the United States could practice its pro-Taiwan policy without causing a retrogression in Sino-American relations. Whether this statement is reliable or not may be judged by the hearing of the House of Representatives to be held on the issue of selling weapons to Taiwan and the comments in the U.S. press on the same issue. According to other sources, the United States is going to reduce the horsepower of the engines before selling the planes to Taiwan, ensuring that they are just used for defense purposes, and is to reassure the PRC at the same time. Thus, the New York TIMES report on Ford's visit to China is verified. Specifically speaking, in addition to fostering Sino-American relations, Ford also tested China's response to the United States' move to sell weapons to Taiwan.

There is no need to test China's response to the United States selling weapons to Taiwan. The Netherlands submarine affair can be referred to as an example. The Chinese people can be more explicit: China will strongly oppose any country that sells weapons to Taiwan. If Western countries decide to provide China with necessary weapons, this would be most warmly welcomed. Nevertheless, if any country is simultaneously selling weapons to Taiwan and China in the hope that China would make some concessions, its hope would definitely be in vain. China will absolutely refuse an offer of weapons on such conditions.

It is impossible for the United States to sell weapons to Taiwan without agitating China. Various American intellectuals also oppose this issue since the Sino-American relations are too important to be risked.

Ford was greeted warmly during his visit to China and toured the magnificent areas along the three great gorges of the Chang Jiang. The principles of the Chinese people should have made a deep impression on him.

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